

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

**CALIFORNIA'S HAZARDOUS WASTE MANAGEMENT PROGRAM
CONTINUES TO IMPROVE BUT NEEDS TO MORE
FULLY ENFORCE STATE LAWS AND REGULATIONS**

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL

P-831

CALIFORNIA'S HAZARDOUS WASTE MANAGEMENT PROGRAM
CONTINUES TO IMPROVE BUT NEEDS TO MORE
FULLY ENFORCE STATE LAWS AND REGULATIONS

AUGUST 1989



Telephone:
(916) 445-0255

STATE OF CALIFORNIA
Office of the Auditor General
660 J STREET, SUITE 300
SACRAMENTO, CA 95814

Kurt R. Sjoberg
Acting Auditor General

August 31, 1989

P-831

Honorable Elihu M. Harris, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 2148
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning the Department of Health Services' regulation of hazardous waste facilities subject only to the State's hazardous waste laws and its progress in administering the State's hazardous waste management program.

Respectfully submitted,

A handwritten signature in cursive script, reading "Kurt Sjoberg".

KURT R. SJOBERG
Acting Auditor General

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	S-1
INTRODUCTION	1
AUDIT RESULTS	
I THE DEPARTMENT OF HEALTH SERVICES' REGULATION OF HAZARDOUS WASTE FACILITIES SUBJECT ONLY TO STATE LAWS HAS BEEN WEAK	11
CONCLUSION	24
RECOMMENDATIONS	25
II THE DEPARTMENT OF HEALTH SERVICES COULD DO MORE TO IDENTIFY AND ENSURE CORRECTION OF VIOLATIONS OF CALIFORNIA'S HAZARDOUS WASTE LAWS	27
CONCLUSION	52
RECOMMENDATIONS	53
APPENDICES	
A THE DEPARTMENT OF HEALTH SERVICES' PERMITTING AND SURVEILLANCE ACTIVITIES FISCAL YEARS 1986-87 AND 1987-88	57
B THE DEPARTMENT OF HEALTH SERVICES' EXPENDITURES FROM THE HAZARDOUS SUBSTANCE CLEANUP FUND TO CLEAN UP HAZARDOUS WASTE SITES FISCAL YEARS 1985-86, 1986-87, AND 1987-88	59
C THE DEPARTMENT OF HEALTH SERVICES' EXPENDITURES FROM THE HAZARDOUS SUBSTANCE ACCOUNT TO CLEAN UP HAZARDOUS WASTE SITES FISCAL YEARS 1986-87 AND 1987-88	61
D CATEGORY I, CATEGORY II, AND CATEGORY III HAZARDOUS WASTE SITES IN CALIFORNIA	63
E POTENTIAL CATEGORY I, POTENTIAL CATEGORY II, AND POTENTIAL CATEGORY III HAZARDOUS WASTE SITES IN CALIFORNIA	69

TABLE OF CONTENTS (Continued)

	<u>Page</u>
F HAZARDOUS WASTE SITES IN CALIFORNIA THAT ARE ON OR PROPOSED FOR THE NATIONAL PRIORITIES LIST	73
G HAZARDOUS WASTE SITES THAT HAVE BEEN REMOVED FROM THE LISTS OF HAZARDOUS WASTE SITES IN THE BOND EXPENDITURE PLANS AND THAT WILL BE CLEANED UP USING FUNDS OTHER THAN THE BOND FUND	77
H HAZARDOUS WASTE SITES IN CALIFORNIA AT FEDERAL FACILITIES	79
I BACKLOGGED HAZARDOUS WASTE SITES IN CALIFORNIA	81
J MINIMUM HAZARD THRESHOLD SITES IN CALIFORNIA	83
RESPONSE TO THE OFFICE OF THE AUDITOR GENERAL'S REPORT	
HEALTH AND WELFARE AGENCY Department of Health Services	85
THE OFFICE OF THE AUDITOR GENERAL'S COMMENTS ON THE RESPONSE FROM THE DEPARTMENT OF HEALTH SERVICES	99

SUMMARY

RESULTS IN BRIEF

The Department of Health Services (department) has improved its administration of the State's hazardous waste management program since our last report concerning its administration was issued in May 1986. Since 1986, the department has developed policies and procedures for many aspects of its regulatory program. It now generally initiates enforcement action against facilities that violate hazardous waste laws and regulations, and it has developed a tracking system for its permitting, surveillance, and enforcement activities. Although the department has improved its administration of the program, our review of its performance in fiscal years 1986-87 and 1987-88 showed that it still has weaknesses in the following areas:

- The department has developed a plan for permitting most of an estimated 1,700 unpermitted hazardous waste facilities that are subject only to state laws and that include reconditioners of hazardous waste drums. However, it has not yet developed a plan for monitoring the activities of these facilities to ensure compliance with hazardous waste laws and regulations;
- The department does not ensure that facilities to which it grants variances and that handle hazardous waste that it has determined poses an insignificant hazard meet the conditions in their variances;
- The department still does not use the Hazardous Waste Information System (HWIS) to detect and deter violations of the State's hazardous waste manifest system requirements and does not always ensure that hazardous waste facilities meet the State's requirements for financial responsibility;

- The department does not always respond to complaints alleging improper handling of hazardous waste, nor does it collect, in all cases, full payment for fines and costs resulting from enforcement action; and
- The department does not always ensure that facilities correct less serious violations of laws and regulations;

BACKGROUND

The purpose of California's hazardous waste management program is to protect public health and the environment from the harmful effects of hazardous waste. The department is responsible for administering the program by regulating the generation, transportation, storage, treatment, and disposal of waste classified as hazardous under federal laws and regulations or only under state laws and regulations (state-only). In addition, the department manages the State's program to clean up hazardous waste sites and to clean up releases or spills of hazardous material that may threaten public health or the environment.

PRINCIPAL FINDINGS

Unregulated Hazardous Waste Facilities

State law requires the department to develop and enforce regulations to protect public health and the environment from the harmful effects of hazardous waste. According to the deputy director of the department's Toxic Substances Control Division (division), the department has concentrated on regulating facilities that handle waste considered hazardous under the federal Resource Conservation and Recovery Act (RCRA). This has enabled the department to regulate the hazardous waste facilities that are the most complex and that pose the greatest threat to public health and the environment. However, according to the department, it has not required up to 1,700 state-only hazardous waste

facilities, including reconditioners of hazardous waste drums, to obtain permits or meet other requirements for managing hazardous waste. According to a section chief in the division, all of the unpermitted state-only facilities potentially pose a significant threat to public health and the environment. The department has developed a "permit streamlining program" to bring state-only hazardous waste facilities into an "appropriate regulatory framework" primarily through an expedited permitting process. The department's plan for the permit streamlining program, however, does not indicate how the department will monitor these facilities for compliance with their permit requirements.

No Monitoring To Ensure That
Hazardous Waste Facilities
Comply With Conditional Variances

State regulations authorize the department to grant variances from the State's hazardous waste management requirements to facilities that handle hazardous waste determined by the department to pose an insignificant hazard. In a sample of 237 variances granted in fiscal years 1986-87 and 1987-88, 221 (93 percent) contained conditions with which the facilities were required to comply. For example, in one variance, the department included a condition requiring the facility to store hazardous waste in sealed containers in a marked area away from public access and to inspect daily certain systems for proper operation.

The department did not ensure that any of the facilities with conditional variances fully complied with the conditions in their variances. When the department does not monitor hazardous waste facilities for compliance with conditional variances, it cannot ensure that these facilities are properly managing hazardous waste.

Hazardous Waste Information System
Is Not Used To Ensure Proper Waste Shipment

The department has not used its automated HWIS to detect and deter violations of the requirements for shipping manifested hazardous waste. To determine whether the HWIS could be useful as a tracking tool, we used the HWIS and were able to identify not only missing manifests, but also possible violations of the hazardous waste management laws, including possible illegal disposals of hazardous waste. As a result, we concluded that the department could use the HWIS as one of its monitoring tools to better ensure that waste shipments reach their intended destinations.

The Department Does Not
Always Respond to Complaints

According to department policy, promptly responding to complaints alleging violations of the State's hazardous waste laws and taking appropriate action on complaints are essential parts of the department's surveillance and enforcement program. In a sample of 174 complaints received in fiscal year 1987-88, staff at the regional offices responded to or referred to other agencies 135 complaints (78 percent), but did not respond to 39 complaints (22 percent). For example, the department did not respond to a complaint alleging illegal disposal of an unknown bright orange liquid from a pipe into the ocean.

When the department does not respond to complaints, it misses opportunities to identify possible mishandling of hazardous waste and to take appropriate enforcement action against the responsible parties.

Financial Responsibility Requirements
Are Not Always Enforced

The department does not always ensure that hazardous waste facilities meet the State's requirements for financial responsibility at the time it issues operating permits to facilities or approves their closure plans. During fiscal years 1986-87 and 1987-88, in 41 (58 percent) out of a sample of 71 evaluations of facilities' financial responsibility, the department either did not require facilities to demonstrate compliance with applicable requirements or did not take steps to ensure that facilities complied after identifying instances of noncompliance. When the department does not fully enforce the financial responsibility requirements, hazardous waste facilities may not have adequate financial resources to pay for accidents or activities related to closing their facilities.

Inconsistent Monitoring To Ensure
Correction of Violations

In a sample of 75 inspections of hazardous waste facilities conducted by the department in fiscal years 1986-87 and 1987-88, the department noted violations and initiated enforcement action in 50 cases. The department generally took appropriate enforcement action for the 20 cases with violations that posed a serious threat to the environment. However, in 15 of the remaining 30 cases, the department did not ensure that the violations were corrected.

When the department does not ensure that hazardous waste facilities correct violations, these facilities may continue to violate California's hazardous waste laws and regulations.

Poor Coordination in Tracking Fines

According to the department's records, enforcement actions initiated by the department in fiscal years 1986-87 and 1987-88 resulted in \$1,682,759 in fines and costs due to the department by November 30, 1988, in 37 enforcement cases. Of the total amount of payments due, the department received \$1,631,587. However, the department did not receive full payment in 9 of the 37 cases. The department did not receive full payment in these cases primarily because of poor coordination between the department's accounting unit and the units that initiate and track enforcement actions. When the department does not identify and collect overdue fines and costs, violators are not paying the full cost of violating hazardous waste laws.

RECOMMENDATIONS

To better ensure that hazardous waste facilities subject only to state laws properly manage hazardous waste, the department should take the following actions:

- Implement the permit streamlining program as quickly as is practical, and develop a surveillance and enforcement plan for state-only facilities;
- Expand its enforcement of the regulations applicable to generators of hazardous waste to include all drum reconditioning facilities; and
- Monitor the activities of hazardous waste facilities granted conditional variances to ensure compliance with the conditions of their variances.

To better identify and ensure correction of violations of state hazardous waste laws and regulations, the department should take the following actions:

- Use the HWIS to periodically produce reports of unmatched manifests, and investigate hazardous waste shipments that, according to the HWIS, did not reach their intended destinations;
- Promptly respond to and take appropriate action on complaints;
- Ensure that hazardous waste facilities meet all applicable financial responsibility requirements;
- Use its current enforcement tracking system to ensure that facilities correct violations;
- Collect all fines and costs that the department should have received; and
- Develop and implement a system to track enforcement actions until all applicable fines and costs are paid.

AGENCY COMMENTS

The Department of Health Services agrees with the facts we present in our report and plans to implement or consider implementing most of our recommendations. However, the department believes we did not take into account all of the factors that resulted in the conditions we describe in our report, such as limited resources, statutory mandates, and the priority-setting process within the department. In addition, it is the department's position that the deficiencies that we identified and describe in our report are not reflective of current conditions within the department.

INTRODUCTION

The objective of California's hazardous waste management program is to protect public health and the environment from the harmful effects of hazardous waste. The Department of Health Services (department) is responsible for carrying out this objective by regulating the generation, transportation, storage, treatment, and disposal of hazardous waste. In addition, the department manages the State's program to clean up hazardous waste sites and releases or spills of hazardous material that may threaten public health or the environment.

Laws and Regulations

In 1972, the Legislature enacted laws to establish a program for ensuring the safe generation, storage, treatment, transportation, and disposal of hazardous waste. The legislation designated the department to administer the program.

In 1976, the federal government enacted the Resource Conservation and Recovery Act of 1976 (RCRA), which directed the United States Environmental Protection Agency (EPA) to develop and implement a program to protect human health and the environment from improper hazardous waste management practices. The legislation also allows states to administer the RCRA as part of their hazardous waste management programs if the EPA considers the states' programs to be substantially equivalent to the federal program.

The department had interim authority to implement some portions of the RCRA program in California until January 1986, when the interim authorization expired. Since 1986, the department has been working toward obtaining full authorization to implement the RCRA in California. As of August 1989, the department anticipates submitting, in January 1990, its official application to the EPA for full authorization.

Hazardous waste facilities that handle waste considered hazardous under federal regulations are subject to the RCRA regulations for managing hazardous waste. Because California's regulations are generally more stringent than the federal government's, some facilities in California do not fall under the RCRA regulations, but do fall under state regulations (state-only). Therefore, state-only facilities and RCRA facilities comprise all the hazardous waste facilities in California.

Program Administration

In 1981, the department created the Toxic Substances Control Division (division) to administer the State's hazardous waste management program. The division, which has its headquarters in Sacramento, has regional offices in Burbank, Long Beach, Emeryville, and Sacramento, and a branch office in Fresno. The headquarters office coordinates the development of policies and regulations, providing technical review and support, managing the State's hazardous waste

cleanup program, and implementing statewide programs. The division manages site cleanup projects and conducts most of its permit, inspection, and enforcement activities out of its regional offices.

Most of the funding for the division's activities comes from fees or taxes collected from those who manage hazardous waste, money provided by the passage of the Hazardous Substance Cleanup Bond Act of 1984, or money provided by the federal government. In fiscal year 1988-89, the division had approximately 893 authorized positions and a budget of approximately \$129 million, \$19 million (15 percent) of which the federal government provided.

To regulate the generation, transportation, storage, treatment, and disposal of hazardous waste, the department issues permits to hazardous waste facilities and registers transporters of hazardous waste. In addition, the department monitors RCRA hazardous waste facilities through inspections to determine their compliance with hazardous waste laws and regulations. If the department identifies instances of noncompliance, it has several options to enforce corrections of violations noted during inspections.

The department also administers the State's program to clean up hazardous waste sites and releases of hazardous material that threaten public health and the environment. In many instances, federal or state funds are needed to clean up a site. If a responsible party can be identified, the state and federal governments may recover cleanup costs.

In federal fiscal years 1986-87 and 1987-88 (October 1, 1986, through September 30, 1988), the department agreed to perform certain activities in California for the federal government concerning hazardous waste management. The EPA agreed to partially fund these activities, which included approving or denying a certain number of permits to operate hazardous waste facilities regulated through the RCRA and inspecting a certain number of RCRA facilities. In its evaluation of the department's performance in federal fiscal year 1986-87, the EPA indicated that the department had made great improvements in its RCRA hazardous waste management program and that it had met all major grant commitments.

Previous Reports on California's Hazardous Waste Management Program

Since 1981, the Office of the Auditor General has issued 12 reports on the State's hazardous waste management program. Three of these reports dealt primarily with issues addressed in this report.

In October 1981, the Office of the Auditor General reported on the department's efforts to issue permits to hazardous waste facilities, to enforce hazardous waste laws, and to control the transportation of hazardous waste. The report concluded that, as a result of weaknesses identified in each of these areas, neither the public nor the environment was sufficiently protected from the harmful effects of hazardous waste. (This report is entitled "California's

Hazardous Waste Management Program Does Not Fully Protect the Public From the Harmful Effects of Hazardous Waste," Report P-053.)

In November 1983, the Office of the Auditor General issued a follow-up report to the 1981 report on the State's hazardous waste management program. This report concluded that the department had been slow in implementing legislative requirements to issue permits to hazardous waste facilities, to enforce hazardous waste laws, and to monitor hazardous waste transportation. (This report is entitled "The State's Hazardous Waste Management Program: Some Improvement but More Needs To Be Done," Report P-343.)

In May 1986, the Office of the Auditor General again reported on the department's progress in administering the State's hazardous waste management program. This report concluded that the department's inspection and enforcement programs were weak in some areas and that the department spent little of the money available for cleaning up hazardous waste sites. (This report is entitled "The State's Hazardous Waste Management Program Has Improved in Some Areas; Other Areas Continue To Need Improvement," Report P-582.2.)

SCOPE AND METHODOLOGY

The purpose of this audit was to review the department's regulation of reconditioners of hazardous waste drums and its progress in administering the State's hazardous waste management program. We reviewed the department's performance during fiscal years 1986-87 and 1987-88 in issuing permits to hazardous waste facilities, inspecting these facilities, enforcing laws and regulations, tracking hazardous waste shipments, and collecting fines and costs assessed against violators of hazardous waste laws.

To evaluate the department's regulation of drum reconditioners, we reviewed applicable statutes and regulations, interviewed department staff, examined the results of the department's 1988 survey of the drum reconditioning industry, and reviewed the department's policies and correspondence since 1981 concerning this issue.

As part of our review, we examined the department's policies and procedures for its regulatory program, which encompasses permitting, surveillance, and enforcement activities. Since May 1986, the department has developed policies and procedures for many aspects of its regulatory program.

In our evaluation of the department's activities during fiscal years 1986-87 and 1987-88 concerning facility permits, we reviewed the files for the 43 permits granted by the department and the files for the 35 final approvals to close hazardous waste facilities that the department issued, as well as two agreements between the department and hazardous waste facilities to close specific units within their facilities. We also reviewed the files for 237 of the 509 variances issued by the department during fiscal years 1986-87 and 1987-88. The number of permitting activities performed by the department in each of the two fiscal years is indicated in Appendix A.

To review the department's inspections of hazardous waste facilities during fiscal years 1986-87 and 1987-88, we examined 497 inspection reports. As part of our work concerning inspections, we further reviewed a sample of 75 of the 497 inspections to determine whether the department monitored facilities to ensure that they corrected violations. The number of inspections performed by the department in fiscal years 1986-87 and 1987-88 is indicated in Appendix A.

We also reviewed the department's performance in responding to complaints alleging the mishandling of wastes. We requested the files for 212 out of the 1,322 complaints recorded by the department in fiscal year 1987-88 alleging potential violations of hazardous waste laws. The department could not provide 14 of the requested complaints, and we eliminated 24 other complaints because, among other things, they

were not made during fiscal year 1987-88 or because the department had recorded them as complaints when, in fact, they were not. Therefore, we reviewed a total of 174 complaints.

In reviewing the department's enforcement activities during fiscal years 1986-87 and 1987-88, we examined the files for the 119 formal enforcement actions initiated by the department during this period. In addition, we reviewed the department's collection of payments in the 37 instances in which formal enforcement actions resulted in assessments due and payable to the department by November 30, 1988.

In our review of the department's performance in tracking hazardous waste shipments, we examined the hazardous waste manifests for 70 waste shipments made between July 1, 1987, and April 30, 1988, out of 212,774 hazardous waste shipments during this period.

In addition, we reviewed the department's compliance with Section 25200.7 of the Health and Safety Code, which required the department to issue or deny, by November 8, 1988, final permits to all RCRA hazardous waste land disposal facilities that had submitted their permit applications before, and were operating on, January 1, 1988. According to the division's deputy director, ten hazardous waste facilities were subject to the provisions of Section 25200.7. Of these ten facilities, the department issued final permits to four and denied a permit to one before the November 8, 1988, deadline. As of

August 7, 1989, according to the deputy director, the department was reviewing the plans to close the other five hazardous waste facilities.

We obtained, but did not audit, the department's reported expenditures for cleaning up hazardous waste sites in fiscal years 1986-87 and 1987-88 with funds from the Hazardous Substance Account and in fiscal years 1985-86, 1986-87, and 1987-88 with funds from the Hazardous Substance Cleanup Fund. The department's reported expenditures are included in Appendices B and C of this report.

Finally, for 1985 through 1989, we reviewed the lists of hazardous waste sites in the department's Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984. In Appendix D, we present a status report on the department's cleanup efforts. In addition, we present lists of hazardous waste sites in California in Appendices E through J.

AUDIT RESULTS

I

THE DEPARTMENT OF HEALTH SERVICES' REGULATION OF HAZARDOUS WASTE FACILITIES SUBJECT ONLY TO STATE LAWS HAS BEEN WEAK

State law authorizes and requires the Department of Health Services (department) to develop and enforce regulations to protect public health and the environment from the harmful effects of hazardous waste. In addition, state law requires that facilities treating, storing, or disposing of hazardous waste have a permit to operate. However, according to the deputy director of the department's Toxic Substances Control Division (division), the department has not required as many as 1,700 facilities that are subject only to California's laws to obtain operating permits or to comply with other requirements under the State's hazardous waste laws (state-only). These facilities include reconditioning facilities for hazardous waste drums, storage facilities for hazardous waste from dry cleaners, and treatment facilities for infectious waste.

According to the chief of the division's program planning and evaluation section, all of these facilities potentially pose a significant threat to public health and the environment. To regulate state-only hazardous waste facilities, the department has developed a "permit streamlining program." With this plan, the department intends to bring state-only facilities into an "appropriate regulatory

framework" primarily through an expedited permitting process. However, the department's plan for the permit streamlining program does not indicate how the department will monitor these facilities for compliance with their permit requirements. Without monitoring the facilities, the department cannot ensure that they comply with applicable regulations and laws.

One way in which the department has partially regulated facilities that handle state-only hazardous waste is to grant them variances from the State's hazardous waste management requirements if the department determines the waste poses an insignificant hazard. In a sample of 237 variances granted in fiscal years 1986-87 and 1987-88, 221 contained conditions to the variances with which the hazardous waste facilities were required to comply. Of the 221 conditional variances, the department's records do not indicate that any of the facilities fully complied with all of the conditions of the variances. When the department does not monitor hazardous waste facilities for compliance with the conditions in their variances, it cannot ensure that these facilities are properly managing hazardous waste.

UNREGULATED HAZARDOUS WASTE FACILITIES

Sections 25150 and 25180 of the Health and Safety Code require the department to adopt and enforce standards and regulations for handling, processing, using, storing, and disposing hazardous waste to protect against hazards to public health, to domestic livestock, to

wildlife, or to the environment. The regulations developed by the department concerning hazardous waste management are in the California Code of Regulations, Chapter 30 of Division 4 of Title 22. Key provisions of the State's laws and regulations require facilities that treat, store, or dispose of hazardous waste to have a permit to operate, unless the facilities are specifically exempted by law or have been granted a variance from the requirements.

Requiring hazardous waste facilities to obtain permits plays an important role in ensuring that facilities conform to state laws and to the department's standards. By issuing a permit, the department can prohibit facilities from accepting certain types of waste, require testing for contamination at facilities, and require facilities to post signs indicating that certain areas contain hazardous waste. Issuing permits to hazardous waste facilities enhances the department's ability to enforce compliance with laws and regulations since the department can revoke or suspend a facility's permit. When a facility's permit is suspended or revoked, the facility must cease the operation for which the permit was granted.

According to the deputy director of the department's division, many facilities subject only to the State's hazardous waste laws may be out of compliance with these laws. Specifically, the department has not required as many as 1,700 facilities in 33 different categories to obtain operating permits or to comply with other requirements under California's hazardous waste laws. The 33 categories of state-only

facilities include reconditioning facilities for hazardous waste drums, storage facilities for hazardous waste from dry cleaners, disposal facilities for explosive waste, collection facilities for household hazardous waste, and treatment facilities for infectious waste. According to the chief of the division's program planning and evaluation section, all of these facilities potentially pose a significant threat to public health and the environment.

Permit Streamlining Program

In 1988, the department started to develop a plan for regulating state-only hazardous waste facilities. With this plan, known as the "permit streamlining program," the department intends to bring state-only facilities into an "appropriate regulatory framework" primarily through an expedited permitting process.

According to the division's deputy director, the department did not develop a strategy to regulate state-only hazardous waste facilities until 1988 because, before then, the department had focused most of its regulatory efforts on the hazardous waste facilities subject to the federal Resource Conservation and Recovery Act. These facilities are the largest hazardous waste facilities in the State. As a result of focusing on these facilities, according to the deputy director, the department has been able to better regulate the hazardous waste facilities that are the most complex and that pose the greatest threat to public health and the environment.

According to the department's 1988 plan for the permit streamlining program, the department intended to develop strategies for issuing permits to 5 of the 33 categories of state-only facilities during fiscal year 1988-89 and to implement these strategies during fiscal year 1989-90. The 1988 plan also indicated that the department would start developing strategies for other state-only facilities during fiscal year 1989-90.

During our audit, the department revised its permit streamlining program to bring unpermitted state-only facilities into an appropriate regulatory framework more quickly. The permit streamlining program includes several options for permitting state-only hazardous waste facilities, but the plan for the program indicates that approximately 1,500 of the estimated 1,700 unregulated state-only facilities will be permitted through a "permit by rule" approach. Under this approach, whole categories of hazardous waste facilities that handle similar types of hazardous waste or use similar treatment processes will become eligible for permits when the department establishes, in regulations, the requirements for permit by rule. For example, according to the plan for the permit streamlining program, the following categories of hazardous waste facilities will be permitted entirely by rule: transfer stations for waste oil, waste management facilities for compressed gas, and storage facilities for dry cleaning waste. In addition, some facilities in the following categories will be permitted by rule: drum reconditioners, precious metal recyclers, and asbestos storage and disposal facilities. The division has

determined that, of the remaining 200 facilities, some handle waste managed by other agencies or are inappropriate for regulation by the division. Others are expected to close or will be subject to the individualized and much lengthier full permit process because of the complex or highly toxic types of hazardous waste they handle. Categories of facilities subject to the full permit process include incinerators, facilities for disposing hazardous waste on or into the land, and facilities for disposing of explosive waste.

To initiate the permit by rule approach, the department must establish, in regulations, the requirements for these permits. According to the deputy director of the division, these regulations are currently under development. As of April 12, 1989, the division's deputy director estimated that the department will adopt regulations for permits by rule by June 1990. Once the department has established the regulations, eligible hazardous waste facilities will be deemed by the department to have a permit if they have notified the department that they meet the requirements and have provided the department with any documents required by the regulations.

Permit Streamlining Program
Lacks a Monitoring Plan

According to the department's plan for the permit streamlining program, this program will increase state-only facilities' compliance with applicable hazardous waste laws. However, the program plan only indicates how state-only facilities will be permitted and does not

indicate how the department plans to monitor these hazardous waste facilities for compliance with their permit requirements.

The Supplemental Report of the 1989 Budget Act requires the department to submit to legislative committees by December 1, 1989, a report concerning its permitting and enforcement activities at state-only facilities. According to this Supplemental Report, the department's report should include its plans for monitoring state-only facilities.

According to the division's deputy director, three personnel years have been budgeted in fiscal year 1989-90 for surveillance and enforcement activities supporting the permit streamlining program. The division plans to focus its surveillance and enforcement activities on drum reconditioners and waste oil recyclers. However, it has not yet developed specific plans for monitoring facilities in these two categories, nor has it developed general monitoring plans for state-only facilities in other categories.

Without monitoring--through inspections, record reviews, or other means--the activities of state-only facilities for compliance with hazardous waste laws, the department cannot identify facilities that are violating these laws, and it cannot take the appropriate enforcement actions to bring these facilities into compliance. Further, without monitoring the state-only facilities, public health and the environment may be at risk from possible mishandling of hazardous waste at these facilities.

Drum Reconditioners Are Not
Complying With Hazardous Waste Laws

One of the 33 categories of state-only facilities for which the department has not fully enforced the State's hazardous waste laws is drum reconditioners. According to the department, the drum reconditioning industry is an integral part of the container recycling loop, since it reconditions drums that would otherwise be discarded. Drum reconditioners that accept hazardous waste in the form of drums contaminated with hazardous materials and that generate hazardous waste resulting from the reconditioning process are subject to a number of regulations governing hazardous waste management. However, the department has never fully enforced hazardous waste regulations applicable to the drum reconditioning industry.

According to correspondence to and from the department, since 1981, the department has been considering the practical, technical, and legal constraints of regulating businesses involved in the drum reconditioning industry. In April 1982, the acting chief of the division's permits, surveillance, and enforcement section directed the division's regional administrators to defer inspections of drum reconditioning operations "for the time being," but to continue addressing all situations involving drums when there was a hazard to health or the environment.

In September 1983, the department announced that the enforcement of permit requirements for hazardous waste facilities and manifest requirements for transporting hazardous waste would be delayed for the drum reconditioning industry pending "suitable technical decisions." As of May 1989, the department had not adopted any new policies or regulations concerning drum reconditioners. Consequently, the department has not required drum reconditioners to meet the permit requirements for hazardous waste facilities or the manifest requirements for drums shipped to their facilities. Moreover, the reconditioners have not been routinely monitored for compliance with hazardous waste laws and regulations.

According to a May 1989 draft report prepared by the department entitled "A Study of the Drum Reconditioning Industry in California," the department decided in October 1987 to conduct an in-depth study of current practices and trends in the drum reconditioning industry before drafting new policies and regulations. The draft report indicates that this decision was prompted by concern that contamination at the sites of three former drum reconditioning facilities where cleanup projects were underway may be common to the entire drum reconditioning industry. The total estimated costs of cleaning up these three sites, according to the draft report, are more than \$17 million.

In March and April 1988, as a part of its study of drum reconditioners, the department inspected a sample of 14 drum reconditioners and 4 drum brokers. (Drum brokers buy and sell drums handled by drum reconditioners.) It found that all of the drum reconditioners and one of the drum brokers had violated the State's hazardous waste laws and regulations. The department also found that all 14 drum reconditioners were generating hazardous waste. In total, the department identified 167 violations at drum reconditioning facilities, including 128 (77 percent) that were violations of the State's requirements for generators of hazardous waste. According to the department's May 1989 draft report, the most common violations noted by the department included improperly mixing hazardous wastes, improperly labeling drums, failing to minimize the possibility of releasing hazardous waste, stacking drums too high or storing them open, lacking required emergency equipment, and lacking or having deficient contingency plans. In addition, at some facilities, the department identified violations concerning improper treatment and disposal of hazardous waste.

In February 1989, the department issued reports of violations to all 15 facilities with violations. According to the division's deputy director, as of August 2, 1989, 6 of the 15 facilities submitted self-certification statements to the department that they had corrected their violations; these 6 facilities will be subjected to follow-up inspections. The department, according to the deputy director, escalated its enforcement action against 7 of the 15 facilities,

issuing corrective action orders with penalties to 5 and initiating civil action against 2; the remaining 2 facilities had much less serious violations than the other facilities. The department sent a follow-up letter to one facility and has taken no further action against the other facility.

As of August 2, 1989, the department was still considering regulatory options for the drum reconditioning industry. However, the division's deputy director has indicated that the department will conduct some surveillance and enforcement activities at drum reconditioning facilities in fiscal year 1989-90.

NO MONITORING TO ASSURE THAT HAZARDOUS WASTE
FACILITIES COMPLY WITH CONDITIONAL VARIANCES

One method that the department has used to partially regulate state-only hazardous waste facilities is to grant them variances from the State's requirements for hazardous waste management. Generally, a variance permits a facility to handle or manage specified hazardous waste without meeting all of the provisions for hazardous waste management. These provisions include requirements for contingency plans and detailed operating plans, for training personnel, and for financial responsibility.

Section 66310 of the California Code of Regulations authorizes the department to grant a variance to a hazardous waste facility if the department determines that waste handled by the facility poses an

insignificant hazard to, among other things, human health and safety, livestock, or wildlife. The department may also grant a variance if the hazardous waste handling is regulated by another governmental agency in a manner ensuring that the waste will not pose a hazard to the health and safety of humans and animals.

Generally, the department grants variances subject to compliance with conditions included in the variances. For example, the department may grant a variance to a facility if the facility follows specific storage or waste management requirements outlined in the variance or if the facility provides the department with certain information.

According to lists provided by the department's four regional offices, the department granted or denied 509 variances from the State's hazardous waste laws and regulations in fiscal years 1986-87 and 1987-88. We reviewed 237 of these variances to determine whether the variances were conditional and whether the department ensured that those hazardous waste facilities complied with the conditions.

Of the 237 variances tested, 221 (93 percent) contained conditions to the variances with which the hazardous waste facilities were required to comply. For example, a condition in one variance required a facility to store hazardous waste in sealed containers in a marked area away from public access and to inspect certain systems daily for proper operation. Of the 221 conditional variances, the

department's records do not indicate that any of the hazardous waste facilities fully complied with all of the conditions of the variances. Additionally, the department could not provide documentation that it monitored these facilities to determine whether they complied with the conditions in their variances.

Of the 221 conditional variances, 124 (56 percent) contained conditions requiring the hazardous waste facilities to provide specific information to the department or to contact the department at a certain time. For example, the department required that a company requesting a variance to treat contaminated soil inform the department about the progress of the treatment activities. Of the 124 conditional variances requiring the hazardous waste facilities to provide information to the department, the department's records indicate that only one facility fully complied with this type of condition in its variance.

According to the division's deputy director, the department did not ensure that state-only hazardous waste facilities complied with the conditions of their variances because the wastes managed by facilities with variances do not significantly threaten public health or the environment, or they are properly regulated by another public agency. In addition, the department focused its regulatory activities on facilities that handle waste classified as hazardous under the federal Resource Conservation and Recovery Act. However, the department is also responsible for ensuring that facilities meet the conditions in their variances. When the department does not monitor

hazardous waste facilities for compliance with the conditions in their variances, the department cannot ensure that these facilities are properly managing hazardous waste.

CONCLUSION

The Department of Health Services' regulation of hazardous waste facilities that handle waste subject only to California laws has been weak. According to the deputy director of the department's Toxic Substances Control Division, the department has not required as many as 1,700 facilities to obtain operating permits or to comply with other requirements under California's hazardous waste laws. According to the chief of the division's program planning and evaluation section, these facilities potentially pose a significant threat to public health and the environment. Although the department has developed a plan for permitting unregulated state-only facilities, the plan does not indicate how the department intends to monitor these facilities for compliance with their permit requirements.

One mechanism the department has used to partially regulate facilities that manage state-only hazardous waste is to grant them variances from the State's requirements for hazardous waste management if the department determines the waste poses an insignificant hazard. Generally, the department grants

variances subject to compliance with conditions included in the variances. However, the department has not ensured that hazardous waste facilities comply with the conditions in these variances. According to the division's deputy director, the department did not ensure that these facilities complied with the conditions in the variances because the wastes managed by these facilities do not constitute a significant threat to public health or the environment or are properly regulated by another public agency. Moreover, the department has focused its regulatory efforts on facilities subject to the Resource Conservation and Recovery Act. However, the department is also responsible for ensuring that facilities meet the conditions in their variances.

RECOMMENDATIONS

To better ensure that hazardous waste facilities subject only to state laws properly manage hazardous waste, the Department of Health Services should take the following actions:

- Implement the permit streamlining program as quickly as is practical;
- Develop a surveillance and enforcement plan for state-only facilities;

- Expand its enforcement of the regulations applicable to generators of hazardous waste to include all drum reconditioning facilities; and
- Monitor the activities of hazardous waste facilities granted variances to ensure that they comply with the conditions of their variances.

II

THE DEPARTMENT OF HEALTH SERVICES COULD DO MORE TO IDENTIFY AND ENSURE CORRECTION OF VIOLATIONS OF CALIFORNIA'S HAZARDOUS WASTE LAWS

Although the Department of Health Services (department) has improved its administration of the State's hazardous waste management program, the program still has weaknesses in several areas. For example, the department does not use its automated Hazardous Waste Information System to track shipments of hazardous waste. It also does not always respond to complaints alleging possible mishandling of hazardous waste. Furthermore, the department does not always ensure that hazardous waste facilities meet the requirements for financial responsibility and correct less serious violations of the State's laws and regulations. Finally, the department does not ensure that, in all cases, it receives full payment for fines resulting from the enforcement actions it initiates. As a result, the department is missing opportunities to detect and deter violations of the requirements for manifested waste shipments, to identify possible mishandling of hazardous waste, and to take appropriate enforcement action against those who may mishandle hazardous waste. Additionally, hazardous waste facilities may not have adequate financial resources to pay for activities related to closing their facilities or for accidents.

WEAK EFFORT TO ENSURE
PROPER WASTE SHIPMENT

With some exceptions for generators of small quantities of hazardous waste, both federal and state laws include provisions requiring the use of a "manifest" shipping document when hazardous waste is transported from one location to another. A manifest contains information such as the type of waste being transported, the quantity of waste, and the name of the hazardous waste facility that is to receive the waste.

Under federal law, the manifest must accompany the hazardous waste shipment. In addition, the generator of the hazardous waste, the transporter of the hazardous waste, and the facility that is to receive the hazardous waste must each retain a copy of the manifest for a specified time. Within 30 days of accepting manifested hazardous waste, the receiving facility must return a copy of the manifest to the generator. If the facility returns a copy of that manifest to the waste generator, the generator has some assurance that the hazardous waste reached its intended destination.

If a generator does not receive a return copy of a manifest within 45 days of shipment, the generator must prepare and submit to the department and the regional administrator of the Environmental

Protection Agency an "exception report."¹ An exception report should specify the manifest in question and the generator's efforts to locate the waste shipment for which the manifest was prepared.

California law and the department's regulations incorporate all of the federal requirements concerning hazardous waste manifests. In addition, in California, both the generator that sends a shipment of manifested hazardous waste and the facility to which the hazardous waste is shipped must submit a copy of the manifest to the department within 30 days of shipping or receiving the hazardous waste.

Hazardous Waste Information System

The department has an automated data base, the Hazardous Waste Information System (HWIS), into which staff enter information from manifests received from generators and facilities. According to a report prepared by the department in 1984, the primary purpose of the HWIS, when designed, was to track shipments of hazardous waste to ensure that hazardous waste was properly transported to its appropriate destination. The HWIS was designed to compare and match generators' copies of manifests with copies of manifests from receiving

¹Under federal regulations, generators of small quantities of hazardous waste are allowed 60 days from the date they shipped waste to submit an exception report.

facilities. If either the generator or receiving facility does not submit the required manifest copy, the HWIS cannot match the manifests for the waste shipment. These "unmatched manifests" would indicate possible violations of the manifest system's requirements and could be investigated by the department's staff. Another purpose of the HWIS was to provide the department with information about the types and amounts of hazardous waste generated, transported, and disposed of in California.

In the past, the department has used the HWIS to produce "unmatched manifest reports." However, as reported by the Office of the Auditor General in October 1981, November 1983, and May 1986, the department had not effectively used the HWIS to identify possible illegal disposals of hazardous waste.

According to the deputy director of the Toxic Substances Control Division (division), the department has not produced and used any reports concerning unmatched manifests as a part of its surveillance and enforcement program since our May 1986 report was issued. Instead, the department addressed other areas of the hazardous waste management program that the department's management considered to be of higher priority. In addition, the deputy director noted that, during inspections of hazardous waste generators and facilities, staff in the department's regional offices review manifest records for compliance with the requirements of the manifest system.

Using the HWIS To Detect Violations of the Manifest System

We used the HWIS to determine if it could help the department to identify possible violations of the manifest system's requirements, including possible illegal disposals of hazardous waste. Specifically, we designed a computer program to manipulate information in the HWIS and to produce unmatched manifest reports for the period from July 1, 1987, through April 30, 1988. During this period, according to information produced by the HWIS, generators in California shipped 212,774 manifested waste shipments.

The program we used was designed to identify each waste shipment for which the department had not received a copy of the manifest from the hazardous waste facility that was supposed to have received the waste. If the department does not receive a copy of a manifest from a facility, there are two possible explanations. First, the facility may not have received the waste shipment, which could indicate a possible illegal disposal of waste. A second explanation is that the facility did not submit its copy of the manifest to the department, inhibiting the department's ability to track waste shipments.

Using the HWIS, we determined that 208,252 (98 percent) of the 212,774 waste shipments between July 1, 1987, and April 30, 1988, had reached their intended destination. The HWIS also allowed us to

determine that, for the remaining 4,522 shipments, the department did not receive copies of the manifests from facilities that were the intended recipients.

We analyzed a small group of the 4,522 waste shipments to identify any possible illegal disposals of hazardous waste within this group. Specifically, we focused on the 70 shipments of "restricted" hazardous waste for which the department did not receive copies of the manifests from the intended recipients of the waste shipments. (Restricted wastes are subject to specific restrictions in the State's regulations concerning their disposal.) To analyze these 70 waste shipments, we requested copies of manifests from the generators, transporters, and hazardous waste facilities involved in the waste shipments.

Of the 70 waste shipments, we concluded that 45 (64 percent) reached their intended destinations. Ten (14 percent), however, may not have been properly handled and disposed, and 15 (21 percent) were either rejected by a disposal facility, "remanifested," or both. A remanifested hazardous waste shipment is one for which a manifest other than the original manifest is subsequently prepared to accompany the waste shipment.

For the 45 waste shipments that reached their intended destinations, the receiving facilities failed to send the department their manifest copies. For 8 of the 10 waste shipments that we

concluded may not have been properly handled, the hazardous waste handlers involved in the shipments failed to provide us with adequate documentation by which we could conclude that the shipments had reached their intended destinations. For the remaining 2 of these 10 shipments, officials from the intended receiving facilities informed us that their records indicated they had not received the shipments.

For the 15 waste shipments that were rejected by a disposal facility, remanifested, or both, the hazardous waste facilities that were to receive the shipments did not receive the original manifests. Consequently, these facilities could not return copies of the original manifests to the generators. As explained earlier, when a generator does not receive a return copy of a manifest from the intended receiving facility, the generator is required to submit an exception report to the department. However, a generator prepared an exception report for only one of the 15 waste shipments in this sample that were rejected by a disposal facility, remanifested, or both. We provided the results of our review to the department for further investigation.

Using information we extracted from the HWIS, we were able to identify not only missing manifests but also possible violations of hazardous waste management laws, including possible illegal disposals of hazardous waste. Based on our experience, we believe the department could use the HWIS as one of its monitoring tools.

Exception Reports Not Investigated

Between January 1, 1988, and October 15, 1988, the department received exception reports from generators for 30 waste shipments. Of these 30 exception reports, 25 were for shipments of hazardous waste in California, and 5 were for interstate waste shipments. The department's records indicate that it investigated only one of the 30 exception reports. To determine if the 25 intrastate shipments were properly disposed, we analyzed information in the HWIS and copies of manifests and related documents from the generators, transporters, and hazardous waste facilities involved in the waste shipments.

Of the 25 waste shipments, we determined that 16 reached their intended destinations. However, 9 of the 25 shipments may not have been properly handled and disposed. According to an official at the hazardous waste facility that was the intended recipient of these 9 shipments, the facility never received the shipments. We provided the department with the results of our review for further investigation.

Because the department does not use the HWIS to track shipments of hazardous waste and does not always investigate exception reports submitted by generators of hazardous waste, it misses opportunities to detect and deter improper handling and disposal of hazardous waste.

The department did not investigate exception reports because of a lack of coordination between the division's office of program monitoring and the division's surveillance and enforcement unit. According to the division's deputy director, the division will develop policies and procedures during fiscal year 1989-90 for investigating exception reports and has reassigned the "manifest function" from its office of program monitoring to the surveillance and enforcement unit. This reassignment, according to the deputy director, will result in prompt follow-up of exception reports.

THE DEPARTMENT DOES NOT ALWAYS
RESPOND TO COMPLAINTS

According to department policy, responding to complaints alleging violations of California's hazardous waste laws is an essential part of the department's surveillance and enforcement program. The department's policy is to promptly respond to and take appropriate action on complaints it receives and to document its responses to these complaints.

For fiscal year 1987-88, the department recorded 1,322 complaints received in its headquarters and its four regional offices. To determine whether the department responded to the complaints it received, we reviewed the files for 174 (13 percent) of these 1,322 complaints.

Information in the department's files indicated that it did not respond to all the complaints it received. Of the 174 complaints, the department directly responded to 77 (44 percent) and referred 58 (33 percent) to county health programs or other agencies. However, the department did not respond to the remaining 39 complaints (22 percent). Of these 39 complaints, 28 were in the Sacramento region, 6 were in the Emeryville region, and 5 were in the Burbank region. The Long Beach region either directly responded to or referred all of its complaints that we reviewed.

Of the 39 complaints to which the department did not respond, we identified 10 complaints that presented threats more serious to public health and the environment than the other 29. For example, the department did not respond to a complaint alleging that 200 lead acid batteries and 55-gallon barrels containing hazardous substances were stored on the ground and that when it rained, the acid and material in the barrels drained into a creek. Table 1 lists the 10 complaints and where they were reported.

TABLE 1
TEN SELECTED COMPLAINTS TO WHICH
THE DEPARTMENT DID NOT RESPOND

<u>Regional Office</u>	<u>Complaint Allegation</u>
Sacramento	Unknown liquid, possibly solvent waste, flows in ditch from back of repair shop.
Sacramento	Waste in evaporation ponds at mine contaminated with cyanide and zinc.
Sacramento	Dumping oil daily for over 40 years.
Sacramento	Two-hundred lead acid batteries and 55-gallon barrels containing hazardous substances stored on the ground. During rain, the acid and substances drain into a creek.
Sacramento	Unknown volatile gas in home.
Sacramento	Seepage between groundwater and underground gasoline tank.
Sacramento	Illegal dumping of thick, blackish material into gutter/storm drain.
Sacramento	Paint stripping tank illegally connected to sewer.
Emeryville	Planned disposal of ten to twelve 55-gallon drums of waste oil onto gravel road.
Burbank	Illegal disposal of unknown bright orange liquid from pipe into ocean.

Despite its policy to respond promptly to and take appropriate action on complaints, the department did not respond to all complaints primarily because, according to department staff, some complaints were a lower priority than others. When the department does not respond to complaints, it misses opportunities to identify possible mishandling of hazardous waste that could be harmful to public health and the

environment and, thus, cannot take appropriate enforcement action against those who mishandle the hazardous waste.

THE DEPARTMENT DOES NOT
ALWAYS ENSURE COMPLIANCE WITH
FINANCIAL RESPONSIBILITY REQUIREMENTS

Title 22 of the California Code of Regulations requires owners or operators of facilities that treat, store, or dispose hazardous waste to demonstrate "financial assurance" to the department that they have adequate funding available to close their facilities and that they have adequate liability coverage for sudden accidents. Title 22 further requires owners or operators of disposal facilities to provide financial assurance for post-closure activities and to have liability coverage for nonsudden accidents. Title 22 defines a nonsudden accident as an unforeseen or unexpected accident that takes place over time and involves continuous or repeated exposure to conditions that result in bodily injury or property or environmental damage.

To demonstrate financial responsibility, owners or operators of hazardous waste facilities must provide the department with documents such as insurance policies or letters of credit indicating their compliance with the requirements. They must also provide written estimates of their closing costs and, if applicable, their post-closure costs. These costs might cover such activities as removing hazardous waste, monitoring the groundwater beneath a facility for leaks of hazardous waste, and maintaining the monitoring equipment.

To determine whether a hazardous waste facility meets the requirements for financial assurance and liability coverage, department procedures require evaluation of the documents provided by the owner or operator of the facility. The department refers to this evaluation as a "financial responsibility review." During this review, the department determines whether a facility "passes" or "fails" tests for financial assurance and for liability coverage. During the period covered by this audit, the department's evaluations generally were valid for periods of 60 days to 6 months from the evaluation date.

Before the department issues a permit to a hazardous waste facility or approves its closure plan, staff in the department's regional offices should request an evaluation of the facility's financial responsibility from the department's financial responsibility unit. Facilities that are operating, whether with a permit or with a grant of interim status given by the department, are subject to the financial responsibility requirements. If the department determines that a facility does not comply with all the requirements, the department may still issue the permit or approve the closure plan, but the permit or approved closure plan should include a compliance schedule. A compliance schedule establishes deadlines by which the facility must comply with the requirements.

To determine whether the department ensured that hazardous waste facilities complied with financial responsibility requirements when it issued permits or approved closure plans, we reviewed the

evaluations provided by the department for 71 of the 78 permits issued or closure plans approved in fiscal years 1986-87 and 1987-88. We did not review evaluations for the other 7 facilities; they are owned or operated by either the state or the federal government and are exempt from the financial responsibility requirements. We did not identify any significant problems with 30 (42 percent) of the 71 evaluations. However, for the remaining 41 evaluations (58 percent), the department issued permits to or approved closure plans for hazardous waste facilities without ensuring that these facilities complied with applicable financial responsibility requirements.

For example, the department issued permits to and approved closure plans for hazardous waste facilities without valid financial responsibility evaluations. Specifically, 21 of the 41 evaluations were not valid at the time the department issued permits to or approved the closure plans for the facilities. In each of these instances, either the department could not provide an evaluation dated before the approval date of the permit or closure plan or it provided expired evaluations. The time between the expiration dates of the evaluations and the dates of permits or closure plans ranged from two weeks to nine months.

The department did not always ensure that hazardous waste facilities had valid financial responsibility evaluations when it issued permits or approved closure plans because of poor coordination between the financial responsibility unit and the department's regional offices.

During our audit, the division's deputy director issued a memorandum to the regional offices emphasizing the importance of following the department's existing procedures for financial responsibility reviews. These procedures require the department to ensure that it completes financial responsibility reviews before issuing permits or approving closure plans. In addition, these procedures require that the department include conditions in permits and closure plans if facilities cannot demonstrate adequate financial responsibility.

Also, the department did not always fail facilities when it determined that they did not meet all of the financial responsibility requirements. Specifically, the department determined that disposal facilities passed 7 of the 41 evaluations without requiring the facilities to demonstrate either adequate financial assurance for post-closure costs or adequate liability coverage for nonsudden accidents.

The department did not always require disposal facilities to meet all applicable financial responsibility requirements because staff in the financial responsibility unit concluded that some requirements were not applicable to these facilities. For instance, the financial responsibility unit concluded that some disposal facilities were not required to demonstrate financial assurance for post-closure activities. However, Title 22 of the California Code of Regulations requires all disposal facilities to meet this requirement.

Finally, the department did not always take steps to induce hazardous waste facilities to comply with the financial responsibility requirements when it determined that these facilities did not comply. Specifically, for the remaining 13 of the 41 evaluations, the department issued permits or approved closure plans although it had determined that the facilities did not comply with the financial responsibility requirements. For 3 of these 13 evaluations, however, the department did not establish a compliance schedule for the facility to follow. Moreover, for each of the other 10 evaluations, although the department established a compliance schedule, it did not always adequately monitor the facility to ensure compliance with the schedule.

If the department does not ensure that hazardous waste facilities comply with financial responsibility requirements when it issues permits or approves closure plans, it cannot identify those facilities that do not meet the State's financial responsibility requirements. Without identifying these facilities, the department cannot establish compliance schedules or initiate enforcement actions that require the facilities to comply with the requirements. Finally, when the department does not ensure compliance with the State's financial responsibility requirements, facilities may not be able to pay for closure or post-closure activities or for accidents at their facilities.

THE DEPARTMENT DOES NOT ALWAYS
ENSURE CORRECTION OF VIOLATIONS
IDENTIFIED DURING INSPECTIONS

As part of its efforts to ensure compliance with the State's hazardous waste laws, staff in the department's four regional offices periodically inspect hazardous waste facilities. After inspecting these facilities, regional office staff prepare inspection reports that describe hazardous waste management activities observed during their inspections, including any violations observed.

If the department notes violations during an inspection of a facility, the department's enforcement response policy requires that it take some type of enforcement action compelling the facility to correct the violations. These actions can include informal actions such as issuing reports of violation or formal actions such as issuing corrective action orders or referring enforcement cases to the state attorney general or to local district attorneys for possible civil or criminal actions.

The department's enforcement response policy also requires staff to take formal enforcement action against hazardous waste facilities whose violations pose a serious threat to the environment, such as a release of hazardous waste to the environment. This policy also allows department staff to take informal enforcement action against facilities with less serious violations, such as recordkeeping deficiencies.

In fiscal years 1986-87 and 1987-88, the department's records indicate that it conducted 497 inspections of hazardous waste facilities. To determine whether the department took enforcement action against those hazardous waste facilities where violations were identified and whether the department ensured that the facilities corrected the violations, we reviewed the department's files for 75 of these periodic inspections. In 55 of the 75 inspection reports, the department noted violations of the State's hazardous waste laws or regulations; 20 reports indicated no violations.

Enforcement Action Initiated

Our review of the department's files showed that the department generally initiated enforcement action against facilities when it observed violations of the State's hazardous waste laws and regulations during periodic inspections. Of the 55 inspections during which the department identified violations, the department took formal or informal enforcement action against facilities in 50 cases (91 percent). These enforcement actions included referrals to the Environmental Protection Agency, the state attorney general, or local district attorneys, and the issuance of administrative orders or reports of violations. The violations noted in the 5 inspection reports for which the department took no enforcement action generally presented less serious threats to the environment and, thus, did not require formal enforcement action.

For 20 of the 50 cases, the department initiated formal enforcement action. The violations noted in the remaining 30 inspection reports generally presented less serious threats to the environment and, thus, did not require formal enforcement action. Examples of this type of violation include failure to properly label hazardous waste containers, failure to have safety equipment, and failure to have adequate contingency plans.

Uncorrected Violations

Although the violations noted during the 30 inspections above generally presented less serious threats to the environment, the department issued reports of violation requiring 29 of the 30 hazardous waste facilities to correct the violations.² Information in the department's files indicated that the hazardous waste facilities corrected the violations noted in 14 of the reports of violation. In each of these 14 cases, either the department sent a letter to the facility acknowledging that the facility had returned to compliance, or the department documented the date that its staff verified through on-site inspections or other means that the facility had corrected the violations. The department, however, could not provide evidence that

²The remaining facility corrected the violations before the department issued a report of violation.

it had conducted on-site inspections or otherwise followed up to ensure that hazardous waste facilities corrected the violations noted in the remaining 15 reports of violation.

When the department does not ensure that hazardous waste facilities correct violations identified during periodic inspections, these facilities may continue to violate California's hazardous waste laws and regulations. For the 15 cases in which the department could not provide evidence that the facilities had corrected the violations noted in reports of violations, we reviewed the department's files to determine whether the department had conducted the next periodic inspection. At the time of our review, the department had conducted the next periodic inspection for 8 of these facilities. The inspection reports for 2 of these 8 facilities indicate that the facilities repeated violations from the previous periodic inspection.

Tracking System Not Used To Monitor Facilities

One of the primary goals of the department's enforcement actions is to ensure that hazardous waste facilities correct violations of the State's hazardous waste laws. In reports issued in 1981, 1983, and 1986, the Office of the Auditor General reported that the department did not ensure that hazardous waste facilities corrected identified violations. In the 1986 report, we recommended that the department establish an effective system for tracking enforcement actions against hazardous waste facilities.

Since our last report was issued in May 1986, the department developed tracking systems for its permitting, surveillance, and enforcement activities. For example, the department's management can use the surveillance and enforcement tracking system to determine the last time a facility was inspected and to determine if a report of violation was promptly issued. Although the department can use this system to determine if and when a facility has corrected violations, it has not consistently done so.

POOR COORDINATION IN TRACKING FINES AND PENALTIES

As a result of the department's enforcement actions, violators of hazardous waste laws may be required to pay fines, penalties, or restitution to the department or other agencies for costs incurred in investigations or prosecutions. (In this report, we use the term "fines" to include fines, penalties, and restitution for costs.) These requirements may be included in court orders or consent agreements for enforcement actions that the department refers to the state attorney general or to local district attorneys, or they may be included in administrative orders issued by the department.

Court orders and agreements resulting from action taken by the state attorney general and administrative orders generally require violators to pay fines directly to the department. Court orders and agreements resulting from action taken by local district attorneys generally require that violators pay fines to the district attorney.

Depending upon the type of fine paid to a district attorney, the district attorney may need to submit a portion of the fine to the department.

Section 25192 of the Health and Safety Code specifies that all civil and criminal penalties collected for certain violations of hazardous waste laws be apportioned in the following way: 50 percent to the State for deposit in the Hazardous Substance Account in the State's General Fund; 25 percent to the office of the city attorney, district attorney, or state attorney general, whichever office brought the action resulting in the penalty; and 25 percent to the department to fund the activities of local health officers for the enforcement of hazardous waste laws.

In a report issued in May 1986, the Office of the Auditor General reported that the department was not collecting all fines assessed for violations of hazardous waste laws. In addition, the Office of the Auditor General reported that the department did not have accurate records concerning fines assessed or collected.

Since our May 1986 report, the department's Toxic Substances Control Division has adopted several policies concerning fines. For example, the division's enforcement response policy indicates that the division's investigators should monitor all enforcement cases referred to the state attorney general or local district attorneys until adjudicated and provide copies of court orders and judgments to the

division's office of local enforcement. In addition, the enforcement response policy indicates that the office of local enforcement should track all enforcement cases referred to local district attorneys. Further, the division's policy concerning "corrective action orders," which the division issues, specifies that enforcement cases in which corrective action orders are used should be diligently pursued until violations are resolved to the department's satisfaction and any assessed penalties are collected.

Not All Payments Are Received

We reviewed the enforcement actions that, according to the department's records, it initiated during fiscal years 1986-87 and 1987-88 that could result in a fine. We also identified completed cases in which the department should have received all or a portion of a fine, and we reviewed the department's accounting records to determine if the department had received all payments that it should have as of November 30, 1988. Tables 2 and 3 list the formal enforcement actions taken by the department and the resulting fines for fiscal years 1986-87 and 1987-88.

TABLE 2
 FORMAL ENFORCEMENT ACTIONS
 INITIATED BY THE
 DEPARTMENT OF HEALTH SERVICES
FISCAL YEARS 1986-87 AND 1987-88

<u>Type of Enforcement Action</u>	<u>Enforcement Actions</u>	<u>Enforcement Actions Settled by 11/30/88</u>	<u>Enforcement Actions Resulting in Fines^a</u>	<u>Enforcement Actions Requiring a Payment by 11/30/88</u>	<u>Payments Received by the Division by 11/30/88</u>
Referral to attorney general	21	4	4	4	4
Referral to district attorney	62	38	28	19	12
Administrative order/ corrective action order	<u>36</u>	<u>25</u>	<u>16</u>	<u>14</u>	<u>12</u>
Total	<u>119</u>	<u>67</u>	<u>48</u>	<u>37</u>	<u>28</u>

TABLE 3
 FORMAL ENFORCEMENT ACTIONS
 RESULTING IN FINES
FISCAL YEARS 1986-87 AND 1987-88

<u>Type of Enforcement Action</u>	<u>Total Fines</u>	<u>Portion of Total Fines Due to the Division by 11/30/88</u>	<u>Fines Received by the Division by 11/30/88</u>	<u>Fines Not Received by the Division by 11/30/88</u>
Referral to attorney general	\$4,520,000	\$1,050,000	\$1,050,000	\$ 0
Referral to district attorney	526,769	209,237	165,215	44,022
Administrative order/ corrective action order	<u>728,922</u>	<u>423,522</u>	<u>416,372</u>	<u>7,150</u>
Total	<u>\$5,775,691</u>	<u>\$1,682,759</u>	<u>\$1,631,587</u>	<u>\$51,172</u>

Note: The information in Tables 2 and 3 was based on available records at the department's headquarters.

^a "Fines" includes fines, penalties, and costs incurred in investigations or prosecutions.

Based on the department's records, we identified 37 enforcement actions for which the department should have received payments for fines by November 30, 1988. As indicated in Table 3, by November 30, 1988, the department had received \$1,631,587 (97 percent) of the \$1,682,759 that it should have received for enforcement actions initiated during fiscal years 1986-87 and 1987-88. Overall, the department received all the payments it should have received in 28 (76 percent) of the 37 enforcement actions. However, the department did not receive all payments in 9 (24 percent) of the 37 enforcement actions, and it received no payments in 7 of these 9 actions. The payments for fines in these 9 cases, which were due by November 30, 1988, totaled \$51,172. The 9 cases included 7 resulting from referrals to local district attorneys and 2 resulting from corrective action orders issued by the department.

The department did not receive full payment for all fines primarily because of poor coordination between the department's accounting unit and the units that initiate and track enforcement actions. Specifically, in all 9 cases in which the department did not receive full payments for fines, staff in the department's accounting unit did not know that payments were due even though other units in the department's headquarters had documents indicating that the department should have received payments.

When the department does not ensure that it receives fines or portions of fines that result from enforcement actions, violators of hazardous waste laws are not paying the full price for violating these laws. As a result, the economic incentive for complying with hazardous waste laws is weakened.

During our audit, the department's accounting unit took some steps to improve its collection of overdue payments for fines. For example, the department's accounting unit started developing an accurate list of enforcement actions that resulted in fines. In addition, the accounting unit sent two letters requesting \$11,650 in overdue fines.

CONCLUSION

The Department of Health Services has improved its administration of the State's hazardous waste management program. However, the department is missing opportunities to identify violations of the State's hazardous waste laws and regulations and does not always ensure that violations are corrected. For example, the department has missed opportunities to detect and deter violations of the requirements for manifested waste shipments because it does not use the Hazardous Waste Information System to track shipments and does not always investigate manifest exception reports. The department has also missed opportunities to

identify possible mishandling of wastes because it does not always investigate public complaints alleging such activities. In addition, hazardous waste facilities may not always meet the requirements for financial responsibility because of poor coordination among the units in the Toxic Substances Control Division and because staff in the division concluded that some of these requirements were not applicable to some facilities. Further, facilities may not always correct less serious violations identified by the department because the department has not always monitored the facilities to ensure that violations are corrected. Finally, the department is not, in all cases, receiving full payment for fines resulting from enforcement actions because it lacks a system to track these actions from start to finish.

RECOMMENDATIONS

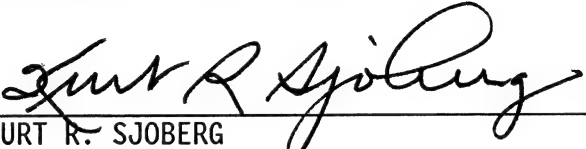
To better identify and ensure correction of violations of the State's hazardous waste laws and regulations, the Department of Health Services should take the following actions:

- Use the Hazardous Waste Information System to periodically produce reports of unmatched manifests, and investigate hazardous waste shipments that, according to the HWIS, did not reach their intended destinations;

- Investigate manifest exception reports submitted by hazardous waste generators;
- Ensure that its regional offices comply with its policy to respond promptly to and take appropriate action on complaints they receive and to document their responses to these complaints;
- Ensure that hazardous waste facilities meet all applicable financial responsibility requirements when it issues permits or approves closure plans;
- Use its current surveillance and enforcement tracking system to monitor the efforts of a facility to correct violations observed during inspections or to comply with financial responsibility requirements, and ensure and document that a facility returns to compliance;
- Collect all fines owed to the department as a result of enforcement actions initiated in fiscal years 1986-87 and 1987-88; and
- Develop and implement a system to track all formal enforcement actions from the time the action is initiated until all applicable fines are paid and collected by the department.

We conducted this review under the authority vested in the auditor general by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


KURT R. SJOBERG
Acting Auditor General

Date: August 28, 1989

Staff: Robert E. Christophel, Audit Manager
John Billington
Dale A. Carlson
Shirley Harris-Clark, CPA
William Ashby
Jim Cooper, CPA
Margaret LeBoeuf, CPA
Linda Lindert
William Lee, CPA
Susan Wynsen
Gilbert Guadiana
Theresa Young

APPENDIX A

**THE DEPARTMENT OF HEALTH SERVICES'
PERMITTING AND SURVEILLANCE ACTIVITIES
FISCAL YEARS 1986-87 AND 1987-88**

PERMITTING ACTIVITIES

	<u>Fiscal Year 1986-87</u>	<u>Fiscal Year 1987-88</u>
Permits issued	21	22
Closure plans approved	10	25
Consent orders ^a	<u>1</u>	<u>1</u>
Total	<u>32</u>	<u>48</u>

^aThese consent orders were agreements between the Department of Health Services and two hazardous waste facilities to close specific units within the facilities.

SURVEILLANCE ACTIVITIES

	<u>Fiscal Year 1986-87</u>			<u>Fiscal Year 1987-88</u>		
	<u>Major^a Facilities</u>	<u>Nonmajor^b Facilities</u>	<u>Total</u>	<u>Major^a Facilities</u>	<u>Nonmajor^b Facilities</u>	<u>Total</u>
Inspections	76	168	244	73	180	253

^aA major facility is a facility where hazardous waste is disposed into or on land and where it will remain after closure.

^bA nonmajor facility is a hazardous waste facility other than a major facility.

THE DEPARTMENT OF HEALTH SERVICES' EXPENDITURES
FROM THE HAZARDOUS SUBSTANCE CLEANUP FUND
TO CLEAN UP HAZARDOUS WASTE SITES
FISCAL YEARS 1985-86, 1986-87, AND 1987-88

	Fiscal Year 1985-86			Fiscal Year 1986-87		
	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Cost of removal or remedial action	\$1,984,111	\$3,143,667	\$ 5,127,778	\$ 923,186	\$4,923,757	\$ 5,846,943
State share of removal or remedial action	0	0	0	0	0	0
State share of removal or remedial action at Stringfellow Acid Pits	392,634	2,391,470	2,784,104	2,318,974	383,789	2,702,763
Salaries and operating expenses	3,752,765	1,351,816	5,104,581	5,384,066	523,975	5,908,041
Premium and accrued interest on bond sales	0	0	0	163,886	0	163,886
Underground tank program	0	0	0	0	0	0
Total	<u>\$6,129,510</u>	<u>\$6,886,953</u>	<u>\$13,016,463</u>	<u>\$8,790,112</u>	<u>\$5,831,521</u>	<u>\$14,621,633</u>

Source: Unaudited accounting and financial records in the Toxic Substances Control Division, Department of Health Services.

Note: This fund was established by the Hazardous Substance Cleanup Bond Act of 1984 and funded by the sale of \$100 million in bonds.

(Continued on next page)

(Continued from previous page)

	Fiscal Year 1987-88			Fiscal Years 1985-86, 1986-87, and 1987-88		
	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Cost of removal or remedial action	\$ 7,902,527	\$2,913,979	\$10,816,506	\$10,809,824	\$10,981,403	\$21,791,227
State share of removal or remedial action	385,216	0	385,216	385,216	0	385,216
State share of removal or remedial action at Stringfellow Acid Pits	297,972	79,691	377,663	3,009,580	2,854,950	5,864,530
Salaries and operating expenses	10,076,555	1,469,224	11,545,779	19,213,386	3,345,015	22,558,401
Premium and accrued interest on bond sales	0	0	0	163,886	0	163,886
Underground tank program	<u>2,000,000</u>	<u>5,500,000</u>	<u>7,500,000</u>	<u>2,000,000</u>	<u>5,500,000</u>	<u>7,500,000</u>
Total	<u>\$20,662,270</u>	<u>\$9,962,894</u>	<u>\$30,625,164</u>	<u>\$35,581,892</u>	<u>\$22,681,368</u>	<u>\$58,263,260</u>

Source: Unaudited accounting and financial records in the Toxic Substances Control Division, Department of Health Services.

Note: This fund was established by the Hazardous Substance Cleanup Bond Act of 1984 and funded by the sale of \$100 million in bonds.

THE DEPARTMENT OF HEALTH SERVICES' EXPENDITURES
FROM THE HAZARDOUS SUBSTANCE ACCOUNT
TO CLEAN UP HAZARDOUS WASTE SITES
FISCAL YEARS 1986-87 AND 1987-88

	Fiscal Year 1986-87			Fiscal Year 1987-88			Fiscal Years 1986-87 and 1987-88		
	Expenditures	Encumbrances	Total	Expenditures	Encumbrances	Total	Expenditures	Encumbrances	Total
Support costs ^a	\$ 9,327,120	\$2,050,242	\$11,377,362	\$ 6,150,067	\$1,723,748	\$ 7,873,815	\$15,477,187	\$3,773,990	\$19,251,177
Contracts to clean up hazardous materials	494,708	604,900	1,099,608	398,652	760,971	1,159,623	893,360	1,365,871	2,259,231
Responsible party	197,563	2,437	200,000	720,615	221,385	942,000	918,178	223,822	1,142,000
Bond payment ^b	5,000,000	0	5,000,000	6,600,000	0	6,600,000	11,600,000	0	11,600,000
Total	\$15,019,391	2,657,579	\$17,676,970	\$13,869,334	\$2,706,104	\$16,575,438	\$28,888,725	\$5,363,683	\$34,252,408

Source: Unaudited accounting and financial records in the Toxic Substances Control Division, Department of Health Services.

^aSupport costs include contracts to clean up hazardous waste sites, agreements with state agencies, and salaries and operating expenses.

^bBond payments are transferred to the Superfund Bond Trust Fund, which is a fund to ensure the payment of principal and interest due on bonds sold to establish the Hazardous Substance Cleanup Fund.

**CATEGORY I, CATEGORY II, AND CATEGORY III
HAZARDOUS WASTE SITES IN CALIFORNIA**

**Background Information on and Status of
the Department of Health Services' Program
for Cleaning Up Hazardous Waste Sites**

In a report issued in May 1986 by the Office of the Auditor General concerning the department's hazardous waste management program, we included the October 1985 version of the Department of Health Services' (department) State Priority Ranking List (SPRL). The SPRL was a list of hazardous waste sites that needed to be cleaned up. The department ranked the sites on the list according to the degree of risk they posed to the public and the environment and according to the cost benefit of the cleanup.

The October 1985 SPRL was the last SPRL. After October 1985 and in response to Section 25356 of the Health and Safety Code, as amended by Chapter 1439, Statutes of 1985, the department has annually revised and published a listing of hazardous sites in the three categories described below:

1. Hazardous substance release sites for which the department has identified a responsible party, and the responsible party is in compliance with an order issued by or an agreement with the department concerning site-cleanup activities. (In this report, we refer to hazardous substance release sites as hazardous waste sites.)
2. Hazardous waste sites for which the department has not been able to identify a responsible party or for which the responsible party is not in compliance, and the nature and extent of the hazardous waste release at the site has not been adequately characterized by the responsible party or the department.¹

¹The department considers a site "characterized" after the type and extent of contamination at the site has been determined and a study of the different options for cleaning up the site has been completed.

3. Hazardous waste sites that have been fully characterized, but a responsible party has not been identified for the site, or an identified responsible party is not in compliance.

The department's lists of hazardous waste sites in the three categories described above, as well as other lists of hazardous waste sites, are included in the department's Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, known as the Bond Expenditure Plan, which the department publishes annually. The Bond Expenditure Plan for January 1989 contains information current as of October 1988. The lists of Category I and Category II hazardous waste sites in the department's Bond Expenditure Plan for January 1989 are presented in Tables D-1 and D-2. The Bond Expenditure Plan for January 1989 contains no Category III hazardous waste sites. All of the other lists of hazardous waste sites in the department's Bond Expenditure Plan for January 1989 are included in Appendices E through J. In addition to listing hazardous waste sites, the Bond Expenditure Plan also includes the department's plans for spending money from the Hazardous Substance Cleanup Fund (Bond Fund) to clean up specific sites listed in the Bond Expenditure Plan.

We reviewed the lists of hazardous waste sites in the department's Bond Expenditure Plan for January 1989 and in other department documents and records to determine the status of the department's program to clean up hazardous waste sites in California.

On the October 1985 SPRL, 222 hazardous waste sites were listed; 4 more sites were added to this SPRL after October 1985. Of these 226 sites, as of October 1988, 25 sites had been certified by the department as satisfactorily abated, and 4 sites had been removed from the department's lists of hazardous waste sites. The department removed these 4 sites from the lists of hazardous waste sites because the department could not verify that there was a potential for a release of hazardous substances. The department has also removed from the lists of hazardous waste sites in the Bond Expenditure Plan 11 sites that will be cleaned up with funds from sources other than the Bond Fund.

Since the publication of the October 1985 SPRL, the department has identified and added at least 286 sites to its lists of hazardous waste sites in the Bond Expenditure Plan. Of these 286 sites, the department certified 8 sites as satisfactorily abated, and removed 3 sites from its lists. In addition, the department has removed from the lists of hazardous waste sites in the Bond Expenditure Plan 62 of the 286 sites that will be cleaned up with funds from sources other than the Bond Fund. Overall, as of January 1989, there were 362 sites on the department's lists of hazardous waste sites in the Bond Expenditure Plan.

TABLE D-1
CATEGORY I
HAZARDOUS WASTE SITES IN CALIFORNIA

<u>Site Name</u>	<u>County</u>
Abex	Los Angeles
Ace Oil Company ^a	Sacramento
Acme-Stockton Galvanizing Works	San Joaquin
Alark Hard Chrome ^a	Riverside
Almaden Quicksilver County Park ^a	Santa Clara
Amchem Products, Inc.	Alameda
Aydin Energy ^a	Santa Clara
Basin By-Products ^a	Los Angeles
Berman Steel (Salinas) ^a	Monterey
Bray Oil/Burmah-Castrol, Inc. (Castrol, Inc.) ^a	Los Angeles
Cal Compact Landfill ^a	Los Angeles
CALTRANS I-105 Freeway Project 3, Parcels 7 & 15	Los Angeles
CALTRANS I-105 Freeway Project 4, Parcels 16 & 17	Los Angeles
Church and Fruit Junkyard ^a	Fresno
Court Galvanizing	Yolo
Del Amo Boulevard ^a	Los Angeles
Drew Sales ^a	Contra Costa
Ecodyne Cooling ^a	Sonoma
El Capitan Quarry/El Cajon Mountain Mill Site ^a	San Diego
Fass Metals ^a	Contra Costa
Franciscan Ceramics, Inc. ^a	Los Angeles
Gallo Glass - Sisk Ranch (formerly Sisk Ranch-Gallo Bricks) ^a	Stanislaus
Gas 'N' Save ^a	Yolo
Gatx Annex Terminal (San Pedro)	Los Angeles
General Electric Engine Maintenance Center ^a	San Bernardino
Goshen Avenue & Shirk Road Site (AKA: Stanley Bostitch)	Tulare
Harmon Field ^a	Tulare
Harris Avenue PCB Site	Sacramento
Hercules Properties, Ltd. ^a	Contra Costa
Hercules, Inc.	Contra Costa
Isaac Cohen and Son, Inc. ^a	San Bernardino
J.R. Simplot, Edison Facility	Kern
Kaweah Crop Duster (Green Acres Airport) ^a	Tulare
Leslie Salt ^a	Alameda
Lika (Navy Drive) ^a	San Joaquin
Manville Corporation ^a	Los Angeles
Masonite Corporation	Sonoma
Metropolitan Circuits ^a	Orange
MacGillis and Gibbs Pole Treating Facility ^a	Madera
McCormick and Baxter ^a	San Joaquin

Site Name	County
Neville Chemical Company ^a	Los Angeles
Orchard Supply Company ^a	Sacramento
Pacific States Steel ^a	Alameda
Palos Verdes Landfill	Los Angeles
Pacific Gas & Electric (City of Sacramento)	Sacramento
Plessey Micro Sciences ^a	Santa Clara
Port of Oakland (Embarcadero Cove) ^a	Alameda
Revere Copper	Los Angeles
Shafter Airport ^a	Kern
Shell Western/Hercules Gas Plant	Santa Barbara
Smithkline & French Laboratories	Santa Clara
Southern California Gas Company, Dinuba Towne Gas Site	Tulare
Southern California Gas Company, Olympic Base Gas Site ^a	Los Angeles
Southern Pacific (City of Sacramento) - Battery Shop ^{a b}	Sacramento
Southern Pacific (City of Sacramento) - Ponds and Ditch ^{a b}	Sacramento
Southern Pacific (City of Sacramento) - Locomotive Works ^{a b}	Sacramento
Space Ordnance Systems - Mint Canyon Facility ^a	Los Angeles
Space Ordnance Systems - Sand Canyon Facility (Placerita) ^a	Los Angeles
TCL Corporation ^a	Los Angeles
Teledyne-Singer	Santa Clara
Thomas Ranch ^a	Riverside
Union Pacific Railroad	Sacramento
Venice Manufactured Gas Plant	Los Angeles
Willard Products	San Mateo

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Hazardous waste sites included in Category I are sites that are currently being remediated by the responsible parties pursuant to a cleanup order from or an agreement with the Department of Health Services.

^aSites formerly on the October 1985 State Priority Ranking List.

^bThese three sites were counted as one site, Southern Pacific Transportation Company, Sacramento, on the State Priority Ranking List.

TABLE D-2
CATEGORY II
HAZARDOUS WASTE SITES IN CALIFORNIA

<u>Site Name</u>	<u>County</u>
Aero Quality Plating	Alameda
Bay Area Drum Company ^a	San Francisco
Bortz Oil Company	Los Angeles
Brown and Bryant - Shafter Facility ^a	Kern
Chatham Brothers Barrels ^a	San Diego
Chico Area Ground Water ^a	Butte
Chico Municipal Airport ^a	Butte
Crafton (Redlands Area) ^a	San Bernardino
Dunes Subdivision	Ventura
El Pueblo Road Plume	Santa Cruz
Factor Avenue Plume, No. 1465 (San Leandro)	Alameda
Frontier Fertilizer ^a	Yolo
Glennville Ground Water	Kern
Hillview-Eleanor Area Plume ^a	Santa Clara
Levin Richmond Terminal/United Heckathorn Co. ^a	Contra Costa
Lubrication Company of America ^a	Los Angeles
McMinn Avenue ^a	Sonoma
Modesto Ground Water	Stanislaus
North San Bernardino Area ^a	San Bernardino
One Hundred Thirty-Ninth Street, No. 750 (San Leandro)	Alameda
Pinedale Area Ground Water	Fresno
Precision Media Corporation	Santa Clara
Rio Bravo Disposal Facility ^a	Kern
Verticare Helicopters ^a	Monterey
Village Market	Tulare
Westminster Tract, No. 2633	Orange

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Hazardous waste sites included in Category II are sites that are being characterized for cleanup by the Department of Health Services because responsible parties cannot be identified or identified responsible parties are not in compliance with a cleanup order from or an agreement with the department.

^aSites formerly on the October 1985 State Priority Ranking List.

APPENDIX E**POTENTIAL CATEGORY I, POTENTIAL CATEGORY II,
AND POTENTIAL CATEGORY III
HAZARDOUS WASTE SITES IN CALIFORNIA****TABLE E-1****POTENTIAL CATEGORY I
HAZARDOUS WASTE SITES IN CALIFORNIA**

<u>Site Name</u>	<u>County</u>
American Forest Products Company (Martell) ^a	Amador
Agro-West, Inc. ^a	Fresno
American Ag Aviation ^a	Fresno
American Standard Products	Contra Costa
Arco Metals	Los Angeles
ASARCO ^a	Contra Costa
Ascon Landfill ^a	Orange
Balakala Mine ^a	Shasta
Benham and Johnson, No. 1 ^a	Kern
Brea Agricultural Service, Inc. ^a	San Joaquin
Britz, Inc., Five Points ^a	Fresno
Cal-Pacific Lumber (Hoopa) ^a	Humboldt
Chemurgic Agricultural Chemicals Company ^a	Stanislaus
Chevron Land & Development	Los Angeles
Commercial Electroplaters ^a	Fresno
Cooper Chemical ^a	Contra Costa
Cornell-Dubilier Electronics	Los Angeles
Eagle Field Airport ^a	Fresno
Ecodyne Pond	Sonoma
Facet Energy Company	Los Angeles
FMC Corporation (Richmond) ^a	Contra Costa
Folsom State Prison	Sacramento
Golden Eagle Refinery	Los Angeles
H. S. Mann Metals Waste ^a	Fresno
Handcraft Tile, Inc. ^a	Santa Clara
Harshaw/Filtrol	Los Angeles
Hewlett Packard Building 15	Santa Clara
Hi-Ridge Lumber Company	Siskiyou
Leviathan Mine ^a	Alpine
Lodi Airport ^a	San Joaquin
Los Banos Municipal Airport ^a	Merced
Lyco Chemical Company ^a	Kern

Site Name	County
Madera Municipal Airport ^a	Madera
Mammoth Mine ^a	Shasta
Mansion Grove	Santa Clara
Merced Municipal Airport ^a	Merced
McNamara and Peepe Lumber Mill	Humboldt
Old Hanford County Dump ^a	Kings
Pacific Gas and Electric (Emeryville)	Alameda
Pacific Gas and Electric - Fresno Service Center	Fresno
Pacific Gas and Electric - Martin Service Center ^a	San Mateo
Palm Iron and Bridge Works ^a	Sacramento
Port of Richmond	Contra Costa
Puregro Company ^a	Kern
Purity Oil Sales - Delta Gunita ^a	Sacramento
Royal Boulevard Class III Disposal Site	Los Angeles
Southeast Regional Disposal Site ^a	Fresno
Southern California Gas (City of Santa Barbara)	Santa Barbara
Southern California Gas/Southern California Edison	Various
Southern Pacific Transportation Co. (Brisbane)	San Mateo and San Francisco
Southern Pacific Transportation Co. (French Camp) ^a	San Joaquin
Southern Pacific Transportation Co. (Taylor Yard)	Los Angeles
Teledyne MEC	Santa Clara
Triangle PWC	Contra Costa
United States Pipe and Foundry Company	Alameda
University of California (City of Riverside) ^a	Riverside
Varian	Santa Clara
Walker Mine ^a	Plumas
Wasco Airport ^a	Kern
Watkins Johnson (SRP)	Santa Clara

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Potential Category I sites: the Department of Health Services has determined that these sites appear to be sites that will be placed in Category I when orders are issued or agreements negotiated.

^aSites formerly on the October 1985 State Priority Ranking List.

TABLE E-2
POTENTIAL CATEGORY II
HAZARDOUS WASTE SITES IN CALIFORNIA

<u>Site Name</u>	<u>County</u>
B.O.R. Industries ^a	Yolo
Cook Battery Reclamation (Oakley Battery)	Contra Costa
Gardena Sumps ^a	Los Angeles
Gardena Valley Landfill, Nos. 1 and 2	Los Angeles
Goshen Construction Site	Tulare
Hillview-Porter Plume	Santa Clara
Summer Del Caribe, Inc. ^a	Contra Costa

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Potential Category II sites: the Department of Health Services has determined that these sites appear to be sites that will be placed in Category II if the responsible parties are found to be in noncompliance with an order or agreement.

^aSites formerly on the October 1985 State Priority Ranking List.

TABLE E-3
POTENTIAL CATEGORY III
HAZARDOUS WASTE SITES IN CALIFORNIA

Site Name	County
Chem-o-lene	Ventura
Chromalloy-American/General Radiator Div.	Sacramento
Clovis Drum (Brookhaven) ^a	Fresno
Custom Chrome and Bumper Company ^a	Sutter
Eskimo Radiator	Los Angeles
Flex-Multilayer, Inc. ^a	Tulare
Harbor Way South, No. 738 ^a	Contra Costa
Jensen Lumber Company ^a	Trinity
L & M Plating	Alameda
Lague Sales ^a	San Joaquin
Littell Property	Stanislaus
Lomo Airstrip	
(formerly Jim Morris Flying Service) ^a	Sutter
Massingill Property	Stanislaus
North First Street Plume (San Jose) ^a	Santa Clara
Orange County Steel Salvage	Orange
San Joaquin Drum Company	Kern
Southland Oil, Inc. ^a	Los Angeles
Turlock Sales Company ^a	Stanislaus
Valley Plating Company	Shasta
Western States Refining	San Bernardino

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Potential Category III sites: the Department of Health Services either has characterized or will finish characterizing these sites by November 30, 1989. Once the sites are characterized, the department will reevaluate the hazard ranking score for the sites, priority rank the sites, and place them in Category III.

^aSites formerly on the October 1985 State Priority Ranking List.

APPENDIX F**HAZARDOUS WASTE SITES IN CALIFORNIA THAT ARE ON
OR PROPOSED FOR THE NATIONAL PRIORITIES LIST**

<u>Site Name</u>	<u>County</u>
Advanced Micro Devices, Inc. (901 Thompson Place) ^a	Santa Clara
Advanced Micro Devices, Inc. (Building 915)	Santa Clara
Aerojet Corporation ^a	Sacramento
Applied Materials, Inc. ^a	Santa Clara
Atlas Asbestos Mine ^a	Fresno
Beckman Instruments, Inc., Porterville Plant ^a	Tulare
Brown and Bryant - Arvin Facility ^a	Kern
Castle Air Force Base - Area A (Southwest Portion of base), and Area B (Installation Restoration Program Sites)	Merced
Celtor Chemical Works ^a	Humboldt
Coalinga Asbestos Mine ^a	Fresno
Coast Wood Preserving, Inc. ^a	Mendocino
Concord Naval Weapons Station ^b	Contra Costa
Crazy Horse Landfill ^b	Monterey
CTS Printex Corporation ^b	Santa Clara
Del Norte County Pesticide Storage Area ^a	Del Norte
El Toro Marine Corps Air Station ^b	Orange
Fairchild Camera and Instrument Corporation (San Jose) ^{a b}	Santa Clara
Fairchild Semiconductor (Mountain View) ^{a c}	Santa Clara
Firestone Tire and Rubber Company ^a	Monterey
FMC Corp. - Agricultural Chemical Division ^{a c}	Fresno
Fresno Municipal Sanitary Landfill ^b	Fresno
GBF/Pittsburg Landfills ^b	Contra Costa
Hewlett Packard (1501 Page Mill Road) ^{a c}	Santa Clara
Hewlett Packard Optoelectric Division ^b	Santa Clara
Hexcel Corporation ^b	Alameda
Intel Corporation-Magnetics (City of Santa Clara) ^a	Santa Clara
Intel Corporation (Mountain View) ^a	Santa Clara
Intel Corporation (City of Santa Clara) ^a	Santa Clara
International Business Machines Corporation ^{a c}	Santa Clara
Intersil/Siemens ^b	Santa Clara
Iron Mountain Mine ^a	Shasta
J. H. Baxter ^{a b}	Siskiyou
Jasco Chemical Corporation ^b	Santa Clara
Jibboom Junkyard ^a	Sacramento
Kaiser Steel Site ^b	San Bernardino
Kearney KPF ^b	San Joaquin
Koppers Company, Inc. (Oroville) ^a	Butte
Lawrence Livermore National Laboratory	Alameda

Site Name	County
Liquid Gold ^a	Contra Costa
Lorentz Barrell and Drum Company ^{a b}	Santa Clara
Louisiana Pacific Corporation ^a	Butte
Marley Cooling Tower Company ^{a c}	San Joaquin
Mather Air Force Base (AC&W Site, Northwest Area and Southwest Area)	Sacramento
McClellan Air Force Base - Area C (West Central Boundary of Base), Area D (Northwest Corner of Base), and Areas A, B, & O (Southeastern Portion of Base)	Sacramento
MGM Brakes, Inc. ^a	Sonoma
Modesto Well No. 11 ^b	Stanislaus
Moffet Naval Air Station	Santa Clara
Monolithic Memories, Inc. ^a	Santa Clara
Montrose Chemical ^{a b}	Los Angeles
McColl Site ^a	Orange
National Semiconductor ^a	Santa Clara
Newmark Ground Water Contamination ^b	San Bernardino
Operating Industries, Inc. ^a	Los Angeles
Purity Oil Sales ^a	Fresno
Raytheon Corporation ^a	Santa Clara
Riverbank Army Ammunition Plant (Industrial Waste Treatment, Landfill and Disposal Sites)	Stanislaus
Sacramento Army Depot (Southwest Area and Other Areas)	Sacramento
San Fernando Valley Ground Water Basin 1 ^a	Los Angeles
San Fernando Valley Ground Water Basin 2 ^a	Los Angeles
San Fernando Valley Ground Water Basin 3 ^a	Los Angeles
San Fernando Valley Ground Water Basin 4 ^a	Los Angeles
San Gabriel Ground Water Basin 1 ^a	Los Angeles
San Gabriel Ground Water Basin 2 ^a	Los Angeles
San Gabriel Ground Water Basin 3 ^a	Los Angeles
San Gabriel Ground Water Basin 4 ^a	Los Angeles
Selma Pressure Treating Company ^a	Fresno
Sharpe Army Depot (North Area and South Area)	San Joaquin
Signetic Corporation ^{a c}	Santa Clara
Sola Optical USA, Inc. ^b	Sonoma
Solvent Services, Inc. (formerly Berryessa Road, San Jose) ^{a b}	Santa Clara
South Bay Asbestos Area, formerly Alviso Area (Alviso) ^a	Santa Clara
Southern Pacific Transportation Co. (Roseville) ^{a c}	Placer
Spectra-Physics ^b	Santa Clara
Stringfellow Hazardous Waste Site ^a	Riverside
Sulphur Bank Mine ^{a b}	Lake
Synertek ^b	Santa Clara
Teledyne Semiconductor ^a	Santa Clara
Texaco - Pacific Coast Pipeline (Fillmore) ^b	Ventura
Thompson Hayward Agricultural and Nutrition Co. ^a	Fresno
TRW Microwave ^b	Santa Clara

Site Name	County
Valley Wood Preserving ^{a b}	Stanislaus
Van Waters and Rogers, Inc. ^{a c}	Santa Clara
Visalia Pole Yard (formerly Southern California Edison - Visalia Poleyard) ^{a b}	Tulare
Waste Disposal, Inc. ^a	Los Angeles
Watkins-Johnson (City of Santa Cruz) ^b	Santa Cruz
Westinghouse Electric Corporation (Sunnyvale) ^a	Santa Clara
Zoecon/Rhone - Poulenc ^{a c}	San Mateo

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: The National Priorities List is the Environmental Protection Agency's list of hazardous waste sites that potentially pose significant threats to public health and the environment.

^aSites formerly on the October 1985 State Priority Ranking List.

^bSites proposed for listing on the National Priorities List.

^cSites proposed to be dropped from the National Priorities List.

APPENDIX G

**HAZARDOUS WASTE SITES THAT HAVE BEEN REMOVED
FROM THE LISTS OF HAZARDOUS WASTE SITES IN THE
BOND EXPENDITURE PLANS AND THAT WILL BE CLEANED
UP USING FUNDS OTHER THAN THE BOND FUND**

<u>Site Name</u>	<u>County</u>
Advanced Micro Devices, Inc., Building 915 ^C	Santa Clara
C. T. Alloy Sprockets ^a	Yuba
Centralab	Los Angeles
Crazy Horse Landfill ^C	Monterey
CTS Printex Corporation ^C	Santa Clara
Georgia-Pacific Corporation (Tracy)	San Joaquin
Hewlett Packard (1501 Page Mill Road) ^{a d}	Santa Clara
Hewlett Packard Optoelectric Division ^C	Santa Clara
Hexcel Corporation ^C	Alameda
Hughes Helicopters, Inc.	Los Angeles
International Business Machines Corporation ^{a d}	Santa Clara
Intersil/Siemens ^C	Santa Clara
Kearney-KPF ^C	San Joaquin
Kendall Company Plant ^a	Merced
Lakeland Dusters, Inc. ^a	Kings
Lockheed - Burbank Plants A-1, B-1, B-6, and C-1	Los Angeles
Mare Island Naval Shipyard	Solano
Moffett Naval Air Station ^b	Santa Clara
Northrop, Ventura Division	Ventura
Pacific Gas and Electric - JWP	Contra Costa
Signetics Corporation ^{a d}	Santa Clara
Sinclair Paints ^a	Los Angeles
Sola Optical USA, Inc. ^C	Sonoma
Southern Pacific Pipeline Spill (Arcady Oil Company) ^a	San Joaquin
Southern Pacific Transportation Co. (Oakland)	Alameda
Spain Air ^a	Merced
Spectra-Physics ^C	Santa Clara
Sutter County Airport ^a	Sutter
Synertek ^C	Santa Clara
TRW Microwave ^C	Santa Clara
Van Waters and Rogers, Inc. ^{a d}	Santa Clara
Verdegaal Brothers ^a	Kings

Site Name	County
West Hollywood/Sunlin, Inc./Santa Palm Car Wash Yuba County Airport ^a	Los Angeles Yuba

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

^aSites formerly on the October 1985 State Priority Ranking List.

^bSites listed on the National Priorities List.

^cSites proposed for listing on the National Priorities List.

^dSites proposed to be dropped from the National Priorities List.

APPENDIX H**HAZARDOUS WASTE SITES IN CALIFORNIA
AT FEDERAL FACILITIES**

<u>Site Name</u>	<u>County</u>
Air Force Plant 42	Los Angeles
Alameda Naval Air Station	Alameda
Barstow/Marine Corps Logistics Base	San Bernardino
Beale Air Force Base - Area A (Underground Tanks and Other Sites)	Yuba
Beale Air Force Base - Area B (Southwest Portion of Base)	Yuba
Camp Pendleton Marine Corps Training Camp	San Diego
Castle Air Force Base - Area A (Southwest Portion of Base) ^a	Merced
Castle Air Force Base - Installation Restoration Program (Area B) ^a	Merced
China Lake Naval Weapons Center (Armitage Field and Other Sites)	Kern
China Lake Naval Weapons Center (Main Base)	Kern
China Lake Naval Weapons Center (South Area)	Kern
Concord Naval Weapons Station ^b	Contra Costa
Coronado Naval Amphibious Base	San Diego
Defense Logistics Agency (Ozol Terminal)	Contra Costa
Edwards Air Force Base (Flightline Area)	Kern
Edwards Air Force Base (South Base Area)	Kern
El Toro Marine Corps Air Station ^b	Orange
Fort McArthur	Los Angeles
Fort Ord/Marina Well No. 9	Monterey
George Air Force Base	San Bernardino
Hunters Point Naval Shipyard	San Francisco
Lawrence Livermore National Laboratory ^a	Alameda
Lemoore Naval Air Station (Administration Area)	Kings
Lemoore Naval Air Station (Flight Operations)	Kings
Los Angeles Air Force Station	Los Angeles
March Air Force Base	Riverside
Mather Air Force Base (AC&W Site and Other Areas) ^a	Sacramento
Mather Air Force Base (Northwest Area) ^a	Sacramento
Mather Air Force Base (Southwest Area) ^a	Sacramento
Miramar Naval Air Station	San Diego
McClellan Air Force Base - Area C (West Central Boundary)	Sacramento
McClellan Air Force Base - Area D (Northwest Corner)	Sacramento
McClellan Air Force Base - Areas A, B, and O (Southeast Portion, Southwest Corner, and Other Sites)	Sacramento

Site Name	County
Naval Communications Relay Station (Landfill, Battery Acid Disposal Area)	San Joaquin
Naval Communications Relay Station (Industrial Operations Area)	San Joaquin
Norton Air Force Base	San Bernardino
Norwalk Defense Supply Procurement Office	Los Angeles
Point Mugu/Pacific Missile Test Center	Ventura
Pomona Defense Supply Procurement	Los Angeles
Port Hueneme Naval Construction Battalion Center	Ventura
Riverbank Army Ammunition Plant (Industrial Waste Treatment Area) ^b	Stanislaus
Riverbank Army Ammunition Plant (Landfill and Disposal Sites) ^b	Stanislaus
Sacramento Army Depot - Other ^a	Sacramento
Sacramento Army Depot (Southwest Area) ^a	Sacramento
Seal Beach Naval Weapons Station	Orange
Sharpe Army Depot (North Area) ^a	San Joaquin
Sharpe Army Depot (South Area) ^a	San Joaquin
Sierra Army Depot (Main Base)	Lassen
Sierra Army Depot (North Base)	Lassen
Tracy Defense Logistics Agency Depot (Northwest Portion)	San Joaquin
Tracy Defense Logistics Agency Depot (Central and Eastern Portion)	San Joaquin
Tustin Marine Corps Air Station	Orange
Vandenberg Air Force Base	Santa Barbara

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

^aSites listed on the National Priorities List.

^bSites proposed to be listed on the National Priorities List.

APPENDIX I**BACKLOGGED HAZARDOUS WASTE SITES IN CALIFORNIA**

<u>Site Name</u>	<u>County</u>
Alexander John Research	Kern
American Molding and Millwork	San Joaquin
Apache Services ^a	San Diego
Auburn Sanitary Landfill ^a	Placer
Beacon Oil ^a	Kings
Bohemia, Inc.	Placer
Calabasas Sanitary Landfill	Los Angeles
CALTRANS I-101	Santa Barbara
CALTRANS Service Yard	Madera
Central Union School	Kings
Chemical and Pigment Company ^a	Contra Costa
Chocolate Mountains Naval Weapons Range	Imperial
Colorado Place	Los Angeles
Commerce Refuse to Energy Authority	Los Angeles
Dagget Airport	San Bernardino
Ekotek Lube ^a	Alameda
El Centro Naval Air Station	Imperial
Electro Coatings ^a	Alameda
Electro Sheen Industries, Inc.	Los Angeles
Fleet Analysis Center	Riverside
Forest Products Manufacturing Company	Placer
Fort Irwin National Training Center	San Bernardino
Fresno County Employees Credit Union Site	Fresno
Gardena Valley Landfill No. 6	Los Angeles
Garriott Crop Dusters	Kern
General Electric (formerly Endura)	Los Angeles
Geothermal, Inc.	Lake
Imperial Beach Naval Station	San Diego
Industrial Waste Processing	Fresno
Koppers (City of Los Angeles) ^a	Los Angeles
Koppers (Ontario)	San Bernardino
Leeder Chemicals Company ^a	Los Angeles
Long Beach Naval Shipyard	Los Angeles
Luster-Cal	San Joaquin
Mojave Naval Weapon Center (Range B)	San Bernardino
North Island Naval Air Station	San Diego
Omar Rendering Disposal Site	San Diego
Otay Sanitary Landfill	San Diego
Pacific Gas and Electric/Shell (West Pittsburg) ^a	Contra Costa
Phil's Custom Plating	Orange
Pine Mountain Lumber Company	Siskiyou

Site Name	County
Point Loma Naval Complex	San Diego
Sacramento Surplus Sales ^a	Sacramento
Salton Sea Naval Weapons Training Center	Imperial
San Diego Naval Station	San Diego
San Pedro Defense Supply Procurement Office	Los Angeles
Santa Fe Railroad (Watson Yard)	Los Angeles
Santa Ysabel ^a	San Diego
Simi Valley Landfill	Ventura
Texaco, Inc.	Kern
TOSCO Corporation (Bakersfield Refinery)	Kern
Tri-Air, Inc.	Fresno
Twenty-Nine Palms Marine Corps Training Center	Riverside
Walker Properties	Los Angeles
Westinghouse Electric Company (Emeryville) ^a	Alameda
White Rock Dump ^a	Sacramento
Yermo Truck Stop/Ground Water	San Bernardino

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: The Department of Health Services reported this separate listing of sites that it will eventually address. These sites have not been scheduled for action during the five years projected for cleanup in the January 1989 Bond Expenditure Plan.

^aSites formerly on the October 1985 State Priority Ranking List.

APPENDIX J

MINIMUM HAZARD THRESHOLD SITES IN CALIFORNIA

<u>Site Name</u>	<u>County</u>
Auto Repair (Berkeley)	Alameda
California Iron Works/CALTRANS	Solano
Chico Scrap Metal Yard ^a	Butte
Park Boulevard, No. 2901 (Palo Alto)	Santa Clara

Source: January 1989 Expenditure Plan for the Hazardous Substance Cleanup Bond Act of 1984, Department of Health Services.

Note: Minimum hazard threshold sites are sites for which the department has deferred action until all higher priority sites have been addressed.

^aSites formerly on the October 1985 State Priorities Ranking List.

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

P.O. BOX 942732

SACRAMENTO, CA 94234-7320

(916) 445-1248



AUG 25 1989

Mr. Kurt R. Sjoberg
Acting Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

Secretary Allenby has asked me to respond to your August 17, 1989 letter transmitting your draft report entitled "California's Hazardous Waste Management Program Continues to Improve but Needs to More Fully Enforce State Laws and Regulations".

We would like to thank the Auditor General for the opportunity to review and respond to the report. However, after reviewing the report we concluded that the Auditor General's findings and recommendations failed to take into account important limitations imposed by changes in the regulatory environment. During the audit period, the legislature heard hundreds of hazardous waste management bills resulting in more than 100 new mandates for the Department. Proposition 65 brought forth new resource demands. In addition, calls from the legislature, industry, environmental groups and community groups potentially affected by hazardous waste management issues continued to come to the Department. Collectively, these factors created a reality which demanded that the Department allocate resources in as effective and efficient a manner as possible. The audit appears to have overlooked this reality and instead presents a picture that suggests that these constraints did not exist.

Several of the areas identified in this audit as needing improvement are activities which we have determined, after detailed evaluation of public health and environmental protection benefit, to be of lower priority than those activities which received attention during the audit period. Though several of these lower priority activities are currently being addressed and others scheduled for resource allocation in the near future, it should be noted that the lower priority activities were not ignored nor were they simply overlooked. As is the case with all public agencies, there were simply not enough resources available to address every priority. Planning and implementation for the lower priority activities was delayed only after a series of conscious public policy decisions.

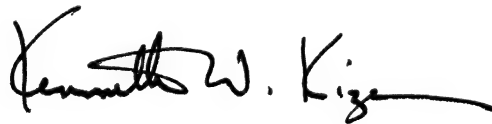
Mr. Kurt Sjoberg
Page 2

We do not take issue with the facts upon which the Auditor General based his recommendations. However, we do feel that in framing recommendations regarding the lower priority activities as indicators of deficiencies, the reader is led to believe that those activities which did not receive attention are of equal public health or environmental protection value to those activities for which the Auditor General noted significant accomplishment. Simply stating that the Department could do more in these areas overlooks the very basic restrictions upon which all government agencies must operate. That is, there are resource limitations and priority judgments which must be made. By failing to recognize the everyday reality of priority setting and by not identifying any potential areas from which resources should be diverted, the Auditor General appears to imply that the additional work could easily have been done. (1)*

A final area of concern with the audit is that many statements are framed in a manner which implies that observations that were made during a study of activities 14-38 months ago are still current. To allow the impression that then perceived deficiencies are still the case distorts present day reality. This is particularly true given the dynamic growth and change that has occurred in the last year as the program was maturing. (2)

In conclusion, while your staff may have done a thorough review of the program for the audit period, the report, as written, is incomplete and ignores "real world" judgements that have to be made in managing this complex and rapidly evolving program.

Sincerely,



Kenneth W. Kizer, M.D., M.P.H.
Director

Enclosure

*The Office of the Auditor General's comments on specific points in this response begin after the Department of Health Services' response.

DEPARTMENT OF HEALTH SERVICES' RESPONSE TO
AUDITOR GENERAL'S REPORT P-831
"CALIFORNIA'S HAZARDOUS WASTE MANAGEMENT
PROGRAM CONTINUES TO IMPROVE BUT NEEDS
TO MORE FULLY ENFORCE STATE LAWS
AND REGULATIONS"

GENERAL COMMENTS - SECTION I

In focusing its findings on the area of regulating state-only facilities without specific mention of all the significant accomplishments the Department's regulatory programs have achieved, the Department believes that the report does not present an accurate portrayal of its progress in administering its hazardous waste management program. The Department does not disagree with the fact that a comparatively small amount of resources was devoted to the regulation of state-only facilities during the period examined by the Auditor General. However, it should be noted that as part of its internal resource allocation process, the Department determined that there were other activities which had a higher priority on its limited resources.

Specifically, the Department focused the majority of its resources on RCRA land disposal and incineration facilities because of the comparative risks inherent in these technologies. As a result of these resource allocations, the Department was able to meet the federally mandated November 1988 deadline for taking action on land disposal facilities. Of the 80 California land disposal facilities, eight were permitted and the remaining facilities have gone into closure. The Department will continue to dedicate a significant amount of resources to this area to ensure that these closures will be accomplished in an environmentally sound manner and that wastes left in place will be adequately monitored.

As a result of the risks inherent in the technology, as well as the public's perception of associated risk, the Department has had to allocate a significant amount of resources in the area of regulating incinerators. The Department has been working toward, and will meet, the November 1989 federally mandated deadline for incinerator permit determinations.

The Department has been increasing its resources dedicated to the regulation of state-only facilities as resources are no longer needed for activities which pose a greater threat to the public health and the environment. This is evidenced by the development of its permit streamlining program and the drum reconditioner inspection project which resulted in the inspection of 50% of California's drum reconditioners. The Department will continue to identify other resources that can be utilized in this area.

RESPONSES TO SPECIFIC RECOMMENDATIONS IN SECTION I

RECOMMENDATION

Implement the permit streamlining program as quickly as is practical.

DEPARTMENT'S RESPONSE

The Department agrees with the recommendation. Since the Auditor General reviewed the previous implementation plan for the permit streamlining program, the plan has been revised to include more facilities on a more timely basis.

RECOMMENDATION

Develop a surveillance and enforcement plan for state-only facilities.

DEPARTMENT'S RESPONSE

Though not initially part of the permit streamlining project implementation plan, surveillance and enforcement activities are currently being performed on certain categories of state-only facilities, including both transportable treatment units and drum reconditioners. The entire permit streamlining concept as envisioned by the Department addresses all categories of state-only facilities and includes a post-permit audit or inspection process for each of the categories. This post-audit process involves the evaluation of a facility's compliance with regulatory requirements. A surveillance and enforcement plan for each category will be developed as the applicable regulations are developed.

The Department has taken the following steps to provide resources for surveillance and enforcement activities related to state-only facilities:

- created an additional eight regional surveillance and enforcement positions by redirecting administrative positions;
- plan on the identification of program efficiencies so that identified resource savings can be made available for these activities;

- allow local agencies with existing memorandums of understanding to conduct some post audits of state only facilities.

Additionally, the Department is currently preparing a report to the Legislature on the permit streamlining program. This report will include a discussion of the options being reviewed by the Department in developing an enforcement plan for state-only facilities.

RECOMMENDATION

Expand its enforcement of the regulations applicable to generators of hazardous waste to include all drum reconditioning facilities.

DEPARTMENT'S RESPONSE

As mentioned in the report, the Department inspected 14 drum reconditioners (50% of the drum reconditioners in California) during the 1988/89 fiscal year as part of its study on the drum reconditioner industry. In following up these inspections, enforcement actions have been initiated against all generator violations found at these facilities. Five of the facilities have been issued administrative orders to return to compliance. Two have been referred for civil prosecution. The others have been handled through Reports of Violation.

In the past, the Department has also taken enforcement actions against drum reconditioners as part of its normal surveillance and enforcement activities and intends to continue inspecting them for compliance with generator requirements as part of its overall enforcement activities in the 1989/90 fiscal year.

RECOMMENDATION

Monitor the activities of hazardous waste facilities granted variances to ensure that they comply with the conditions of their variances.

DEPARTMENT'S RESPONSE

As stated in the report, the Department grants variances only after it has made a determination that the wastes being handled pose an insignificant threat to the public health and environment and/or is adequately regulated by another agency. Generally, these variances do contain conditions which define the parameters under which the variance is valid. These conditions notify the

facility of both the precautions that must be taken to assure proper operation of the activity and the terms under which the variance was granted. In addition, as the terms of compliance are specified in the variance conditions, any inspections conducted by Department staff are facilitated.

The Department has not, nor does it intend to in the future, routinely monitor compliance with variance conditions because it has already made a determination that an insignificant threat to the public health and environment exists before a variance is granted. A prime factor taken into account when the Department allocates its limited resources is the level of risk to the public health and environment. Accordingly, the Department has made a conscious decision not to apply these limited resources to performing compliance follow-up for variance conditions because of the insignificant threat posed by those activities for which a variance has been granted.

The Department does not believe that it would be in the best interest of the public to redirect its resources from the regulation of those activities which pose a greater risk in order to track compliance with variance conditions. However, the Department will still continue to examine a facility's compliance with existing variances as part of its routine inspection program. (3)

GENERAL COMMENTS - SECTION II

Since the last Auditor General's report issued in 1986, the Department has prioritized its work to assure that the most serious hazardous waste problems are addressed first. This has provided the highest level of protection to public health and the environment given the resources available. These accomplishments are exemplified by the report which states:

- 99.7 percent of all manifested hazardous waste is clearly accounted for by current records.
- 97 percent of all assessed fines, reviewed by the auditor, were collected.
- 91 percent of all inspections conducted by the Department resulted in enforcement action.
- 100 percent of all major violations identified during inspections were followed up with enforcement action and corrections were made.

- 100 percent of all minor violations identified were reported to the facility in a notice of violation and scheduled for reinspection during the next inspections. (4)

These accomplishments are also supported by a recent draft federal EPA midyear RCRA program evaluation which states:

- "The state is aggressively pursuing penalties for regulatory violations and achieving favorable settlements of its cases."
- "The state continues to make excellent use of its administrative authority by issuing an increasing number of corrective action orders."
- "Overall the Department of Health Services Financial Responsibility Unit is doing an excellent job at implementing the RCRA financial responsibility regulations."

In addition to those accomplishments noted above the department has improved its statewide consistency and effectiveness in dealing with enforcement issues by developing several new policies and procedures, and by providing improved training to field staff. One very important new program is the "toxic ticket". This program was implemented in 1988 and allows the assessment of penalties in the field when violations of the hazardous waste laws are found. This more aggressive approach will not only achieve greater compliance with the laws but will streamline the enforcement process thus achieving more effective utilization of limited resources.

Overall the Toxic Substances Control Program enforcement activities have been providing cost effective protection to the public by prioritizing activities to assure the most serious issues are addressed first. The Department will continue this effort while continuing to improve in those needed areas.

RESPONSES TO SPECIFIC RECOMMENDATIONS IN SECTION II

RECOMMENDATION

Use the Hazardous Waste Information System to periodically produce reports of unmatched manifests, and investigate hazardous waste shipments that, according to the HWIS, did not reach their intended destinations.

DEPARTMENT'S RESPONSE

The Hazardous Waste Information System does have the capability to produce unmatched manifest reports on demand. However, during the audit period the Department placed a lesser priority on the investigation of unmatched manifests and instead has allocated its resources to areas which pose a more substantial risk to the public health and environment.

According to the findings contained in the report, Auditor General staff determined that 98% of the shipments in their audit period reached the intended destination. They sampled the 2% of the shipments with unmatched manifests and further audit work determined that 64% of the shipments with unmatched manifests had reached the intended destination.

Taking into account the results of the sample, only seven tenths of one percent of waste shipments in the audit period had unmatched manifests. (5) Such an immaterial number of unmatched manifests supports the Department's determination that this was a lower priority activity. The Department will continue to consider allocating resources to the investigation of unmatched manifests as resources are freed up from activities with a greater level of risk to the public health and environment.

RECOMMENDATION

Investigate manifest exception reports submitted by hazardous waste generators.

DEPARTMENT'S RESPONSE

As was the case with the previous recommendation, the Department did not allocate any resources to the investigation of manifest exception reports because it was determined to be a low priority activity in relation to other activities which posed a greater threat to the public health and environment. Historically, the Department receives an average of only 2-5 exception reports each month. In fact, during the period audited by the Auditor General in which there were over 200,000 matched waste shipment manifests, the Department received only 17 manifest exception reports. (6)

The Department will be addressing this recommendation during the 1989/90 fiscal year. Manifest exception report follow-up activities have been included in the surveillance and enforcement program's workplan for the current fiscal year, and the exception report follow-up process should be implemented by February 1990. In addition, the manifest unit has been recently reassigned to the surveillance and enforcement program. This will greatly

improve the coordination between headquarters and regional surveillance and enforcement staff that will be following up the exception reports.

RECOMMENDATION

Ensure that its regional offices comply with its policy to promptly respond to and take appropriate action on complaints they receive and to document their responses to these complaints.

DEPARTMENT'S RESPONSE

The Department receives a wide diversity of complaints ranging from those that might potentially indicate a serious threat to the public health and environment, to those that appear to indicate a relatively minor threat, to those that lack any specificity that a determination cannot be made. The current complaint policy and procedures contains guidelines for receiving, logging, and responding to complaints, and is generally used by Department staff. However, we recognize that these procedures have not been consistently applied and that appropriate documentation has not been maintained to support complaint responses.

In recognition of this situation, the Department will be modifying the complaint policy and procedures during the 1989/90 fiscal year to ensure a consistent and thorough resolution for all complaints received, and to establish a system of documentation that will provide the necessary detail to establish the specific steps the Department has taken to respond to a complaint. The elements of this system will include the following:

- Notification to complainants that their complaint has been received by the Department through the use of preprinted post cards;
- A complaint triage policy which would outline steps for staff to use in ranking the alleged illegal activities based upon the level of potential threat to public health and the environment;
- One of four responses to coincide with the ranking criteria will be provided for each complaint:
 - a. investigate/determination
 - b. referral to another agency
 - c. insufficient information to allow follow-up

d. low risk/low priority

- Maintenance of complete files on all complaints to document the Department's resolution of the complaint and the inclusion of this information as part of the surveillance and enforcement tracking system.

RECOMMENDATION

Ensure that hazardous waste facilities meet all applicable financial responsibility requirements when it issues permits or approves closure plans.

DEPARTMENT'S RESPONSE

The Department's established policy is to ensure that either a facility meets all applicable regulations prior to the issuance of a permit or closure plan approval, or to include compliance conditions in the permit or closure plan if full compliance has not been achieved. Specific procedures for this area were issued as a management memo in late 1987 which detail the procedures to be used by both financial responsibility unit staff and regional permitting staff. The Department recognized that these procedures were not being consistently utilized and recently reissued the management memo with a cover memo from the Deputy Director of the Toxic Substances Control Program stressing the importance of the procedures.

The Department believes that the consistent application of the existing procedures in conjunction with enhancements to the financial responsibility tracking system that will provide the capability of tracking compliance schedules that is in the process of being implemented should ensure that all facilities are reviewed for compliance with financial responsibility requirements as appropriate.

The report identifies 41 evaluations as having had significant problems. The following action was taken on all facilities prior to the audit:

- Of the 21 evaluations that were identified as being invalid at the time of permit/closure plan approval, 17 were in fact in compliance at the time of permit/closure plan approval and are still in compliance and formal enforcement action has been initiated on the remaining evaluations.
- Of the seven evaluations that were identified as being passed without post-closure/non-sudden liability coverage, follow-up action was taken on all seven once the dispute as

to regulation applicability was resolved. Five are in compliance with all financial responsibility requirements, one has been certified closed, and one is in the process of having its interim status document rescinded as it has been incorporated into another facility.

- Of the 10 facilities that were identified as lacking follow-up on compliance conditions, five are in compliance, one has been certified closed, two were EPA-lead enforcement cases, and two remain out of compliance and have pending enforcement actions.
- Of the three facilities identified as having an established compliance schedule, the Department has followed up on all three. Two of the facilities are in compliance and the remaining one is out of compliance but has a pending variance request. ⑦

RECOMMENDATION

Use its current surveillance and enforcement tracking system to monitor the efforts of a facility to correct violations observed during inspections or to comply with financial responsibility requirements, and ensure and document that a facility returns to compliance.

DEPARTMENT'S RESPONSE

The Department recognizes that more can be done to fully utilize its tracking system to monitor the efforts made by facilities to correct violations identified during inspections or efforts made to comply with financial responsibility requirements. As stated in the Department's response to the prior recommendation, enhancements to the financial responsibility tracking system are being made to provide the capability of tracking compliance schedules relative to financial responsibility requirements. This tracking system will be further enhanced to allow the capability of tracking compliance schedules for permit actions, closure plans, and formal enforcement actions.

It should be noted that it is the Department's policy to handle all major (Class I) violations through administrative orders and referrals for civil and criminal prosecution. It is only the minor (Class II) violations which are handled through Reports of Violations and compliance schedules. These Class II violations do not pose a significant threat to the public health and environment. Thus it would not be an effective use of the Department's limited resources to immediately review, reinspect,

or document return to compliance for Class II violations as long as resources are needed for other activities that pose a greater threat.⑧

However, it should be noted that the Department is currently developing a policy and procedure on enforcement follow-up. This should clarify necessary follow-up for the various enforcement situations and types of violations. In addition, the Department plans to increase the use of "Toxi-tickets" for Class II violations. These are field-issued, formal enforcement orders which immediately impose fines for minor violations. They provide a greater incentive for compliance and require a certification of return to compliance by the violator.

RECOMMENDATION

Collect all fines owed to the department as a result of enforcement actions initiated in fiscal years 1986-87 and 1987-88.

DEPARTMENT'S RESPONSE

The Department appreciates both the work done by the Auditor General in this area, and the recognition by the Auditor General of the progress made by the Department in this area as evidenced by their finding that the Department has collected 97% of all fines and penalties due the Department as a result of enforcement actions initiated during the 1986/87 and 1987/88 fiscal years. The Department agrees with the recommendation that it collect all the fines and penalties it is due and has already issued collection letters covering the remaining 3%, and will pursue collection with the same vigor it used in collecting the 97%.

RECOMMENDATION

Develop and implement a system to track all formal enforcement actions from the time the action is initiated until all applicable fines are paid and collected by the department.

DEPARTMENT'S RESPONSE

The Department recognized the fact that improvements were necessary to improve the tracking of its efforts in the collection of fines and penalties. A tracking system is currently in place that has improved coordination between regulatory program staff and the administrative unit that is

responsible for actually collecting the fines and penalties. Agreements have been reached that require regulatory staff to routinely forward copies of all case settlement documents to accounting on a timely basis, and to forward its case tracking logs on a monthly basis so that accounting staff can ensure that all settlement documents have been received.

The major coordination problem the Department has experienced has been for fines resulting from those cases prosecuted by local district attorneys. Obviously, the Department cannot have the same level of control over enforcement cases handled by local agencies as it has over internal enforcement cases. However, the Department has taken steps to utilize the Toxic Substances Control Program's Office of Local Enforcement in the identification of those district attorney cases where the Department is owed fines and penalties. The Department will continue to look for ways to improve in this area.

**THE OFFICE OF THE AUDITOR GENERAL'S COMMENTS ON THE
RESPONSE FROM THE DEPARTMENT OF HEALTH SERVICES**

To provide clarity and perspective, we are commenting on the Department of Health Services' response to our audit report. The numbers correspond to the numbers we have placed in the Department of Health Services' response.

- ① We disagree with the department's contention that our report overlooks or ignores its priority-setting process and factors that limited its resources. Concerning unregulated, state-only facilities, we acknowledge in Chapter I, page 14, of our report that, according to the deputy director of the Toxic Substances Control Division, the department did not develop a strategy for regulating these facilities until 1988 because, before then, the department had focused most of its regulatory efforts on the hazardous waste facilities subject to the federal Resource Conservation and Recovery Act (RCRA). Concerning the department's monitoring of conditional variances, we acknowledge on page 23 of our report the department's position that it had not ensured that facilities with conditional variances met the conditions of their variances because it had focused its regulatory activities on facilities that handle waste classified as hazardous under the RCRA. However, according to a letter dated August 2, 1989, from the division's deputy director to the Office of the Auditor General, the department agreed that "regional offices should track variances for compliance with their conditions."

In Chapter II of our report, weaknesses in four of five areas are for the most part weaknesses that we have addressed in previous reports. However, the department still has not fully addressed these weaknesses. The remaining issue concerning financial responsibility evaluations is one that the department recognizes the importance of. It recognizes that it must ensure that facilities meet all applicable regulations before it issues permits or approves closure plans and that it must include compliance schedules in the permits or closure plans if facilities do not comply with these regulations.

- ② When the department provided us with evidence that it had taken steps to correct the weaknesses that we identified, we described these steps in the report. However, in no case was the department able to provide us with sufficient evidence to indicate that these weaknesses no longer existed or that the department had taken action to fully correct the weaknesses.
- ③ The department's records indicate that it inspected only one of the facilities to which it granted the 221 conditional variances to determine whether the facilities complied with the conditions of their variances.

- 4 Our report does not state that 99.7 percent of all manifested hazardous waste is clearly accounted for by current records, that 91 percent of all inspections conducted by the department resulted in enforcement action, that 100 percent of all major violations identified during inspections were followed up with enforcement action and corrections were made, or that 100 percent of all minor violations identified were reported to the facility in a notice of violation and scheduled for reinspection during the next inspection.

Our report states on page 31 that we used the Hazardous Waste Information System (HWIS) to determine that 98 percent of the waste shipments between July 1, 1987, and April 30, 1988, had reached their intended destinations. Our report also states on page S-5 that in a sample of 75 inspections of hazardous waste facilities conducted by the department in fiscal years 1986-87 and 1987-88, the department noted violations and initiated enforcement action in 50 cases (67 percent). Concerning these 50 cases, we also state on page S-5 that the department generally took appropriate enforcement action in the 20 cases with violations that posed a serious threat to the environment. In addition, we state on page 45 that, in 29 of the 30 remaining cases, the department issued reports of violation requiring facilities to correct violations and that, in one case, a facility corrected its violations before the department issued a report of violation.

- 5 Even though, according to the department, "only" seven-tenths of one percent of waste shipments in the audit period had unmatched manifests, this percentage corresponds to over 1,900 hazardous waste shipments in fiscal year 1987-88 with possible violations of hazardous waste management laws, including possible illegal disposals of hazardous waste. As we demonstrated in our report, the department could have used the HWIS to identify these waste shipments.
- 6 As we state on page 34 of our report, between January 1, 1988, and October 15, 1988, the department received 30 exception reports from generators of hazardous waste. Furthermore, in its response, the department indicated it will be addressing this recommendation by implementing by February 1990 a process for following up on exception reports.
- 7 The department was unable to provide us with sufficient evidence to substantiate the results of the financial responsibility evaluations that it describes. Specifically, as we state in our report, for the 41 financial responsibility evaluations, the department was unable to provide us with sufficient evidence to indicate that it had either required hazardous waste facilities to demonstrate compliance with applicable requirements or that it had taken steps to ensure that facilities complied after identifying instances of noncompliance. Therefore, we conclude that, for these 41 evaluations, the department did not take the action it should have taken approximately 14 to 38 months ago.

- ⑧ The enforcement response policy of the department's Toxic Substances Control Division indicates that chronic class II violations are considered class I violations, which require formal enforcement action. Without documenting whether facilities with class II violations return to compliance, the department cannot promptly identify cases that require a formal enforcement action.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps